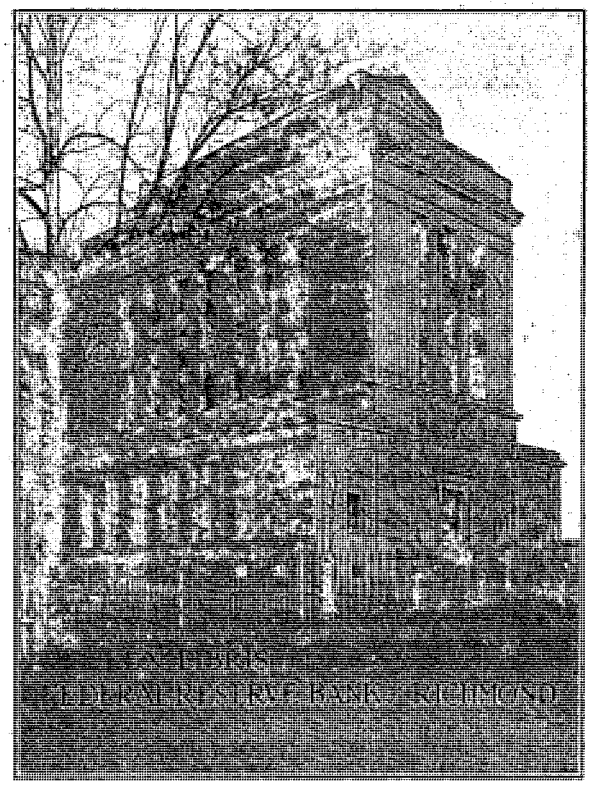
ANNUAL REPORT OF THE SECRETARY OF THE TREASURY ON THE STATE OF THE FINANCES FOR FISCAL YEAR ENDED JUNE 30, 1938

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis



Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ERRATA

Annual Report of the Secretary of the Treasury for 1938

The following statement on the fund account of the adjusted service certificate fund should be substituted for that now appearing on page 93:

Adjusted service certificate fund, June 30, 1938

FUND ACCOUNT

Appropriations:		
To June 30, 1936 (including $2,230,157,956.40 appropriated in the Independent Offices Appropriation Act, 1937, approved Mar. 19, 1936)		$3,626,157,956.40
Interest on investments:		
To June 30, 1937	[1] $128,176,582.31	
July 1, 1937, to June 30, 1938	1,469,928.77	
		129,646,511.08
Total		3,755,804,467.48
Payments under Adjusted Compensation Payment Act, 1936, enacted Jan 27, 1936:		
Adjusted service bonds	$1,822,090,350.00	
Checks for amounts less than $50	82,815,997.57	
Adjusted service bonds (Government life insurance fund series)	500,157,956.40	
Total	2,405,064,303.97	
Checks paid by Treasurer of the United States other than in final settlement of certificates under the Adjusted Compensation Payment Act, 1936, less credits on account of repayments of loans and interest thereon	1,323,896,986.78	
		3,728,961,290.75
Balance in fund June 30, 1938		26,843,176.73

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ANNUAL REPORT OF THE SECRETARY OF THE TREASURY

ON

THE STATE OF THE FINANCES

FOR THE FISCAL YEAR
ENDED JUNE 30
1938



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1939

For sale by the Superintendent of Documents, Washington, D. C. - - - - - - - - - - - Price 60 cents (Paper)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TREASURY DEPARTMENT

DOCUMENT NO. 3096

Secretary

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

450
U

CONTENTS

	Page
Budget results	1
Receipts	1
Sources	4
Expenditures	4
Deficit	7
The public debt	7
Treasury bonds and Treasury notes	10
Treasury bills	12
United States savings bonds	12
Special issues	15
Adjusted service bonds	15
Cumulative sinking fund	15
Amendment to the Second Liberty Bond Act	16
General Fund	16
Securities owned by the United States and proprietary interest in governmental corporations and credit agencies	18
Securities owned	18
Proprietary interest in governmental corporations and credit agencies	19
Securities guaranteed by the United States	20
Monetary developments	21
Emergency legislation	22
Revenue legislation	25
Revenue Act of 1937	26
Domestic and foreign personal holding companies	26
Nonresident aliens	27
Trusts	27
Revenue Act of 1938	28
Corporation income tax	28
Capital gains and losses	29
Other changes	30
Sugar Act of 1937	32
Railroad Unemployment Insurance Act	32
Other revenue legislation	33
Estimates of receipts	33
Legislative enactments affecting revenue estimates	35
Fiscal year 1939	37
Income taxes	37
Miscellaneous internal revenue	38
Payroll taxes	39
Customs	40
Miscellaneous revenues and receipts	41
Fiscal year 1940	41
Income taxes	41
Miscellaneous internal revenue	41
Payroll taxes	42
Railroad Unemployment Insurance Act	43
Customs	43
Miscellaneous revenues and receipts	43
Estimates of expenditures	44
Bureau of Internal Revenue	49
Income tax	49
Miscellaneous internal revenue	49
Social security taxes	50
Alcohol tax administration	50
Technical Staff decentralization	51
Customs	52

3429
Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

	Page
Construction activities	53
Program under the Public Works Administration	53
Program under the emergency appropriation acts	53
Program for other departments	54
Buildings in the District of Columbia	54
Treasury activities under the provisions of the Social Security Act	54
Unemployment trust fund	55
Collection of taxes	55
Public health work	55
Old-age reserve account	55
Treasury activities under the Emergency Relief Appropriation Acts	60
Nonfiscal activities	62
Coast Guard	62
Public Health Service	63
Bureau of Narcotics	65
Changes in organization and procedure	65

ADMINISTRATIVE REPORTS OF BUREAUS AND DIVISIONS

Accounts and Deposits, Office of the Commissioner of	69
Daily statement of the United States Treasury	69
Combined statement of assets and liabilities of governmental corporations and credit agencies	70
Securities owned by the United States Government	70
Contingent liabilities of the United States	72
Accounting and disbursing of emergency relief funds	72
Federal savings and loan associations	73
Federal home loan banks	74
Federal land banks	75
Capital stock	75
Payments on account of reduction in interest rates on mortgages and subscriptions to paid-in surplus	76
Advances to Federal Reserve banks for industrial loans, etc	77
Appropriations and expenditures under the Social Security Act	78
Obligations of foreign governments	78
Austria	80
Hungary	80
Nicaragua	81
Receipts from Germany	82
Army costs	82
Mixed claims, United States and Germany	82
Annuities under moratorium agreement	82
Treasury administration of alien and mixed claims	83
Mixed Claims Commission: Claims against Germany	83
War Claims Arbiter	86
Claims of German nationals	86
Claims of Hungarian nationals	86
German special deposit account	86
Tripartite Claims Commission	87
Claims against Austria	87
Claims against Hungary	87
Claims of American nationals against Turkey	88
Claims of American nationals against Mexico	89
Railroad obligations	90
Section 207, Transportation Act, 1920, as amended	90
Section 210, Transportation Act, 1920, as amended	91
Trust and special funds invested by the Treasury	92
Adjusted service certificate fund	92
Civil service retirement and disability fund	93
Canal Zone retirement and disability fund	94
Foreign service retirement and disability fund	94
Alaska Railroad retirement and disability fund	95
District of Columbia teachers' retirement fund	96
Longshoremen's and harbor workers' compensation fund	96
District of Columbia workers' compensation fund	97
District of Columbia water fund	97

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Accounts and Deposits, Office of the Commissioner of—Continued.
Trust and special funds invested by the Treasury—Continued. Page
United States Government life insurance fund 97
Old-age reserve account 98
Unemployment trust fund 99
Railroad retirement account 101
Library of Congress trust fund 102
National Institute of Health gift fund 105
National park trust fund 105
Ainsworth library fund, Walter Reed General Hospital 106
Pershing Hall Memorial fund 107
Alien property trust fund 107
Special funds 108
Colorado River Dam fund 108
Advances to reclamation fund 109
Division of Deposits 109
Depositary functions 110
Federal savings and loan associations and Federal credit unions 110
Government Losses in Shipment Act 111
Section of Surety Bonds 112
Division of Bookkeeping and Warrants 113
Division of Disbursement 113
Appointments, Division of 114
Number of employees in the Treasury Department 114
Retirement of employees 115
Budget and Improvement Committee 115
Coast Guard 116
Enforcement of customs and other laws 117
Protection to marine commerce and life and property 119
Aviation 120
Communications 120
Floating equipment 121
Ordnance activities 122
Stations, bases, repair depot, etc 122
Personnel and training 123
Awards of lifesaving medals and decorations 124
Legislation 124
Funds available, obligations, and balances 125
Comptroller of the Currency, Bureau of the 126
Changes in the condition of active national banks 126
Summary of changes in the national banking system 128
Administration of unlicensed national banks 129
Customs, Bureau of 130
Collections 130
Volume of business 131
Entries of merchandise 131
Vessel, airplane, and highway traffic 132
Drawback transactions 133
Appraisement of merchandise 134
Protests and appeals 134
Law enforcement activities 134
Seizures 134
Legal proceedings 137
Fines, penalties, etc 138
Coordination with other agencies 139
Smuggling 139
Customs procedure 142
Customs Agency Service 142
Undervaluation 143
Drawback investigations 143
Port Examination Commission 144
Enforcement Unit 144
Foreign investigations 144
Miscellaneous 144
Customs School of Instruction 144
Appraisement Unit 144
Quota control 145

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Customs, Bureau of—Continued.
Miscellaneous—Continued. Page
Division of Laboratories 145
Changes in ports and stations 146
Cost of administration 146
Engraving and Printing, Bureau of 146
Enrollment and Disbarment, Committee on 149
Federal Alcohol Administration 150
Permit Division 151
Label Examination Division 151
Statistics and Reports Division 152
Enforcement Division 152
Legal Division 153
Internal Revenue, Bureau of 154
General 154
Internal revenue collections 154
Refunds, drawbacks, and stamp redemptions 154
Additional assessments 155
Cost of administration 156
Income Tax Unit 156
Returns 156
Back taxes 158
Claims and overassessments 159
Final notices of deficiency (90-day letters) 159
Audit in Washington 160
Audit in the field 160
Changes in organization and procedure 161
Miscellaneous Tax Unit 162
Estate Tax Division 162
Tobacco Division 164
Bituminous Coal and Silver Tax Division 164
Sales Tax Division 164
Capital Stock Tax Division 165
Processing Tax Division 166
Alcohol Tax Unit 167
Enforcement Division 168
Field Inspection Division 168
Laboratory Division 168
Audit Division 168
Procedure Division 169
Alcohol Tax Section of the Office of the General Counsel 169
Accounts and Collections Unit 169
Taxes under title VIII of the Social Security Act 170
Tax under title IX of the Social Security Act 171
Taxes under the Carriers Taxing Act of 1937 173
Technical Staff 173
Office of the Chief Counsel 175
Appeals Division 175
Civil Division 176
Interpretative Division 178
Penal Division 178
Review Division 179
Legislation and Regulations Division 179
Intelligence Unit 180
Work relief projects 180
Accounts and Collections Unit (miscellaneous tax) project 180
Alcohol Tax Unit (retail liquor stores) project 181
Legal Division 181
Mint, Bureau of the 183
Institutions of the Mint Service 183
Coinage 183
Bullion deposit transactions 184
Gold operations 184
Silver operations 184
Refineries 185
Commemorative coins 185
Stock of coin and monetary bullion in the United States 185

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Mint, Bureau of the—Continued. Page
Production of gold and silver 185
Industrial consumption of gold and silver 186
Mint buildings 186
Appropriations, expenses, and income 186
Monetary Research, Division of 187
Narcotics, Bureau of 187
Enforcement activities 187
Extent and trend of narcotic traffic 190
Printing, Division of 191
Printing and binding 191
Stationery supplies 193
Department advertising 193
Engraving work 193
Processing Tax Board of Review 193
Procurement Division 194
Public Buildings Branch 194
Office of the Supervising Architect 194
Office of the Supervising Engineer 195
Combined building program 195
Program under the Public Works Administration 196
Emergency construction program 196
Program for other departments 197
Repair and equipment of Federal buildings 198
Administration and cost of Federal buildings under the control of the Treasury Department 198
Expenditures 199
Section of Space Control 200
Section of Painting and Sculpture 201
Treasury relief art project 202
Branch of Supply 202
Public Debt Service 205
Division of Loans and Currency 205
Issue and retirement of securities 206
United States savings bonds 206
Individual registered accounts 209
Claims 210
Safekeeping of securities 211
Mutilated paper and redeemed currency 211
Register of the Treasury 211
Division of Public Debt Accounts and Audit 214
Division of Paper Custody 214
Destruction Committee 215
Public Health Service 216
Public health work under the Social Security Act 216
Section 601 216
Section 603 217
Division of Sanitary Reports and Statistics 218
Division of Domestic Quarantine 218
Public health engineering 218
Cooperation with other Federal agencies 219
Works Progress Administration projects 220
Division of Foreign and Insular Quarantine 220
National Institute of Health 221
Division of Biologics Control 221
Division of Chemistry 222
Division of Industrial Hygiene 222
Division of Infectious Diseases 222
Division of Pathology 223
Division of Pharmacology 223
Division of Public Health Methods 223
Division of Zoology 224
National Cancer Institute 224
Division of Venereal Diseases 224
Division of Marine Hospitals and Relief 225
Division of Mental Hygiene 226

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Public Health Service—Continued. Page
Division of Personnel and Accounts 228
Personnel 228
Financial statement 228
Research and Statistics, Division of 230
Savings Bonds, Division of 231
Secret Service Division 231
Tax Research, Division of 233
Treasurer of the United States 233
War Finance Corporation 237

EXHIBITS

PUBLIC DEBT

Public issues of Treasury notes and Treasury bonds

Exhibit 1. Offering of 1¼ percent Treasury notes of series E–1938 and 2 percent Treasury notes of series B–1942 241
Exhibit 2. Allotments, Treasury notes of series E–1938 and series B–1942 242
Exhibit 3. Offering of 2½ percent Treasury bonds of 1945 and 1¾ percent Treasury notes of series C–1942 243
Exhibit 4. Subscriptions and allotments, Treasury bonds of 1945 and Treasury notes of series C–1942 246
Exhibit 5. Offering of 2½ percent Treasury bonds of 1948 247
Exhibit 6. Allotments, Treasury bonds of 1948 247
Exhibit 7. Offering of 2¾ percent Treasury bonds of 1958–63 and 1⅞ percent Treasury notes of series A–1943 248
Exhibit 8. Allotments, Treasury bonds of 1958–63 and Treasury notes of series A–1943 250

Issues of Treasury bills

Exhibit 9. Inviting tenders for Treasury bills dated July 7, 1937 250
Exhibit 10. Acceptance of tenders for Treasury bills dated July 7, 1937 251
Exhibit 11. Summary of information contained in press releases issued in connection with Treasury bills offered during the fiscal year 1938 251

United States savings bonds

Exhibit 12. Sale of United States savings bonds of series C continued after December 31, 1937 254

Miscellaneous

Exhibit 13. An act to amend the Second Liberty Bond Act, as amended 254
Exhibit 14. First amendment, August 18, 1937, to Department Circular No. 368, prescribing general regulations governing full-paid interim certificates 254
Exhibit 15. Second supplement, August 18, 1937, to Department Circular No. 300, prescribing regulations with respect to United States bonds and notes 255
Exhibit 16. Third supplement, June 27, 1938, to Department Circular No. 300, prescribing regulations with respect to United States bonds and notes 256
Exhibit 17. Order of the Acting Secretary of the Treasury, April 5, 1938, authorizing additional officers of the Treasury Department to witness and certify requests for payment of United States savings bonds and adjusted service bonds 257
Exhibit 18. Order of the Acting Secretary of the Treasury, April 6, 1938, revoking the authority, contained in the order of June 10, 1936, for certain officers of the Treasury Department to witness and certify requests for payment of adjusted service bonds 257

SECURITIES GUARANTEED BY THE UNITED STATES

Exhibit 19. Section 20 of the United States Housing Act of 1937 guaranteeing principal and interest of obligations of the United States Housing Authority 257

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Exhibit 20. Portions of section 3 of the National Housing Act Amendments of 1938, relative to the guarantee by the United States of debentures of the mutual mortgage insurance fund and the housing insurance fund 258
Exhibit 21. Section 1105 (c) of the Merchant Marine Act, 1936, as amended June 23, 1938, guaranteeing principal and interest of debentures of the Federal ship mortgage insurance fund 259
Exhibit 22. An act to maintain unimpaired the capital of the Commodity Credit Corporation at $100,000,000, and for other purposes 260
Exhibit 23. Offering of ¾ percent notes of series C of the Commodity Credit Corporation 261
Exhibit 24. Subscriptions and allotments, Commodity Credit Corporation notes of series C 263

MONETARY DEVELOPMENTS

Exhibit 25. Announcement by the Secretary of the Treasury, February 14, 1938, with respect to acquisitions of gold by the Treasury Department 263
Exhibit 26. Announcement by the Secretary of the Treasury, April 19, 1938, of the discontinuance of the inactive gold account 264
Exhibit 27. Memorandum of the Secretary of the Treasury, approved by the President September 14, 1937, relative to newly mined domestic silver mined prior to midnight of December 31, 1937 264
Exhibit 28. Proclamation, December 30, 1937, modifying the proclamation of December 21, 1933, as modified, relating to newly mined domestic silver 264
Exhibit 29. Proclamation, April 28, 1938, revoking, except as provided therein, the proclamation of August 9, 1934, relating to silver 265
Exhibit 30. Executive Order No. 7877, April 28, 1938, revoking Executive orders of August 9, 1934, and November 2, 1934, relating to silver 266
Exhibit 31. Order of the Secretary of the Treasury, April 28, 1938, revoking the orders of the Secretary of the Treasury of June 28, 1934, and May 20, 1935, relating to silver, and the Silver Regulations of August 17, 1934, as amended 266
Exhibit 32. Announcement by the Secretary of the Treasury, April 28, 1938, of the revocation of a proclamation and certain orders and regulations relating to silver 266
Exhibit 33. Statement by the Secretary of the Treasury and the Minister of Finance of China, July 9, 1937, announcing further progress in monetary cooperation between the two countries 267
Exhibit 34. Statement by the Secretary of the Treasury and the Minister of Finance of Brazil, July 16, 1937, relative to gold and dollar exchange 268
Exhibit 35. Announcement by the Secretary of the Treasury and the Minister of Finance of Mexico, December 31, 1937, relative to the peso-dollar exchange and silver 268
Exhibit 36. Statement by the Secretary of the Treasury, March 27, 1938, that the Treasury will defer continuation of the monthly silver purchase arrangements with Mexico 268

TAXATION

Exhibit 37. An act to amend the stamp provisions of the Bottling in Bond Act 269
Exhibit 38. An act to amend section 3336 of the Revised Statutes, as amended, pertaining to brewers' bonds, and for other purposes 269
Exhibit 39. An act to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner 270
Exhibit 40. Joint resolution to provide for a floor stock tax on distilled spirits, except brandy 272
Exhibit 41. An act to amend the National Firearms Act 273
Exhibit 42. Portions of the Sugar Act of 1937 imposing excise taxes with respect to sugar 273

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Exhibit 43. An act to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording ---- 275
Exhibit 44. Major tax rate changes made by the Revenue Acts of 1937 and 1938, and the rates which they superseded, with legal citations and effective dates ---- 280

OBLIGATIONS OF FOREIGN GOVERNMENTS

Exhibit 45. Correspondence exchanged between the Government of the United States and various foreign governments and statements concerning foreign debts owing to the United States ---- 285
Exhibit 46. Text of notes delivered to the German Foreign Minister by the American Ambassador at Berlin, relative to the indebtedness of Austria to the United States ---- 292
Exhibit 47. Announcement concerning the proposal of the Hungarian Government to make payments on account of its indebtedness to the United States ---- 294
Exhibit 48. Message from the President of the United States to the Congress, March 28, 1938, concerning the desire of the Hungarian Government to repay its relief loan to the United States without interest ---- 297
Exhibit 49. Announcement concerning the treaty between the United States and Nicaragua for adjustment of pending financial questions ---- 300
Exhibit 50. Agreement with Nicaragua providing adjustment of certain accounts and refund of income taxes, ratified by the Senate on June 13, 1938 ---- 301

GOVERNMENT LOSSES IN SHIPMENT

Exhibit 51. An act to dispense with the necessity for insurance by the Government against loss or damage to valuables in shipment, and for other purposes ---- 302
Exhibit 52. Regulations, July 16, 1937, governing the shipment of valuables pursuant to the Government Losses in Shipment Act ---- 306
Exhibit 53. Regulations, August 13, 1937, governing claims for replacement of valuables, or the value thereof, shipped pursuant to the Government Losses in Shipment Act ---- 307
Exhibit 54. First supplement, August 20, 1937, to Department Circular No. 577, prescribing regulations governing claims for replacement of valuables, or the value thereof, shipped pursuant to the Government Losses in Shipment Act ---- 311
Exhibit 55. Regulations and instructions governing the issue of duplicates of checks of the United States ---- 311

ORGANIZATION AND PROCEDURE

Exhibit 56. Department Circular No. 187, Second Revision, March 24, 1938, prescribing time and leave regulations for the departmental service ---- 315
Exhibit 57. Department Circular No. 202, Second Revision, March 25, 1938, prescribing time and leave regulations for the field forces ---- 325
Exhibit 58. Amendments, May 11, 1938, to Department Circular No. 187, Second Revision, and Department Circular No. 202, Second Revision ---- 328
Exhibit 59. Treasury Department Order No. 18, March 25, 1938, establishing in the Office of the Secretary a Division of Monetary Research and a Division of Tax Research ---- 329

MISCELLANEOUS

Exhibit 60. Section 3 of the act to provide aid to the States in wildlife-restoration projects, establishing in the Treasury the Federal aid to wildlife-restoration fund ---- 330

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Exhibit 61. An act to authorize the Secretary of the Treasury to cancel obligations of the Reconstruction Finance Corporation incurred in supplying funds for relief at the authorization or direction of Congress, and for other purposes ---- 331
Exhibit 62. Customs Administrative Act of 1938, amending certain administrative provisions of the Tariff Act of 1930, and for other purposes ---- 332
Exhibit 63. An act to regulate commerce in firearms ---- 344
Exhibit 64. Joint resolution extending for two years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1940, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter ---- 346
Exhibit 65. Announcement of change in the daily Treasury statement beginning July 1, 1938, with respect to the financial transactions of the Reconstruction Finance Corporation, Commodity Credit Corporation, and Export-Import Bank of Washington ---- 347
Exhibit 66. Letter of the Postmaster General to the Secretary of the Treasury, dated November 22, 1938, certifying extraordinary expenditures contributing to the deficiencies of postal revenues for the fiscal year 1938 ---- 348

TABLES

Explanation of bases used in tables ---- 351
Description of accounts through which Treasury operations are effected ---- 352

RECEIPTS AND EXPENDITURES

General tables

Table 1. Details of receipts, by sources and accounts, for the fiscal year 1938 (warrant and daily statement bases) ---- 354
Table 2. Details of expenditures, by organization units and accounts, for the fiscal year 1938 (checks issued and daily statement bases) ---- 362
Table 3. Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938 (daily statement basis) ---- 379
Table 4. Public debt receipts and expenditures, by classes, fiscal year 1938 (revised daily statement basis) ---- 396
Table 5. Public debt receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1934 to 1938 (daily statement basis) ---- 397
Table 6. Classified receipts and expenditures for the fiscal years 1932 to 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938 (daily statement basis) ---- 401
Table 7. Receipts and expenditures for the fiscal years 1789 to 1938 (warrant and daily statement bases) ---- 410
Table 8. Expenditures by major functions for the fiscal years 1931 to 1938 (daily statement basis and classifications of the Bureau of the Budget) ---- 418
Table 9. Expenditures for recovery and relief classified as to provisions for repayment, fiscal years 1932 to 1937 combined, fiscal year 1938, and total to June 30, 1938 ---- 419

Specific receipts and expenditures

Table 10. Expenditures of the several activities of the Treasury Department in each of the States and Territories, fiscal year 1938 ---- 421
Table 11. Comparison of detailed internal revenue collections for the fiscal years 1937 and 1938 (collection basis) ---- 425
Table 12. Internal revenue receipts, by tax sources, fiscal years 1916 to 1938 (collection basis) ---- 427
Table 13. Internal revenue receipts, by States and Territories, fiscal year 1938 (collection basis) ---- 430

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Table 14. Expenses of the Internal Revenue Service, fiscal year 1938 (checks-issued basis) 431
Table 15. Computed values of dutiable imports for consumption and computed duties collected, by tariff schedules, fiscal years 1937 and 1938 436
Table 16. Customs duties (estimated), value of imports entered for consumption, and ratio of duties to value of dutiable imports and to value of all imports, for the calendar years 1928 to 1937, and by months from January 1937 to June 1938 437
Table 17. Customs duties (estimated), value of dutiable imports, and ratio of estimated duties to value of dutiable imports, by tariff schedules, for the calendar years 1928 to 1937 and by months from January 1937 to June 1938 438
Table 18. Customs statistics, by districts, fiscal year 1938 442
Table 19. Receipts and expenditures and statement of accounts under the Social Security Act and Railroad Retirement Act (daily statement basis) 446
Table 20. Amounts appropriated and expended to June 30, 1938, under authorizations contained in the Social Security Act 454
Table 21. Panama Canal receipts and expenditures for the fiscal years 1903 to 1938 (warrant basis) 455

Miscellaneous

Table 22. Actual receipts for the fiscal year 1938, and estimated receipts for the fiscal years 1939 and 1940, by sources 456
Table 23. Funds appropriated and allocated for recovery and relief and expenditures therefrom, as of June 30, 1938 462
Table 24. Financial status of appropriations provided in the Emergency Relief Appropriation Acts of 1935, 1936, and 1937, as of June 30, 1938 465

PUBLIC DEBT

Public debt outstanding

Table 25. Public debt outstanding June 30, 1938, by issues (revised daily statement basis) 472
Table 26. Description of the public debt issues outstanding June 30, 1938 (revised daily statement basis) 476
Table 27. Interest-bearing debt outstanding June 30, 1938, classified according to kind of security and callable period or payable date (revised daily statement basis) 487
Table 28. Principal of the public debt outstanding at the end of each fiscal year from 1853 to 1938 (revised daily statement basis) 489
Table 29. Comparative statement of the public debt outstanding June 30, 1932 to 1938 (daily statement basis) 491
Table 30. Composition of the public debt at the end of the fiscal years 1916 to 1937 and by months from July 1937 to June 1938 (revised daily statement basis) 493

Public debt operations

Table 31. Public debt retirements chargeable against ordinary receipts during the fiscal year 1938, and cumulative totals from July 1, 1917, to June 30, 1937 and 1938, by sources and issues (revised daily statement basis) 494
Table 32. Summary of transactions in interest-bearing and noninterest-bearing securities during the fiscal year 1938 (revised daily statement basis) 496
Table 33. Summary of transactions in interest-bearing securities, by form of issue, during the fiscal year 1938 (revised daily statement basis) 499
Table 34. Changes in interest-bearing debt, by issues, during the fiscal year 1938 (revised daily statement basis) 500
Table 35. Transactions in noninterest-bearing securities, by issues, during the fiscal year 1938 (revised daily statement basis) 505

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Table 36. Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1937 through June 1938 ---- 510
Table 37. Sources of public debt increase or decrease for the fiscal years 1915 to 1938 (daily statement basis) ---- 514
Table 38. Transactions on account of the cumulative sinking fund during the fiscal year 1938 (revised daily statement basis) ---- 516
Table 39. Transactions on account of the cumulative sinking fund for the fiscal years 1921 to 1938 (revised daily statement basis) ---- 516
Table 40. Securities retired through the cumulative sinking fund, par amount and principal cost to June 30, 1938 (revised daily statement basis) ---- 517

Interest on the public debt

Table 41. Interest on the public debt, payable, paid, and outstanding unpaid for the fiscal year 1938 (revised daily statement basis) ---- 517
Table 42. Interest paid on the public debt, by issues, for the fiscal years 1936 to 1938 (warrant basis) ---- 518
Table 43. Amount of interest-bearing debt outstanding, the computed annual interest charge, and the computed rate of interest, for the fiscal years 1916 to 1938 and by months from July 1937 to June 1938 (revised daily statement basis) ---- 519

Miscellaneous

Table 44. Contingent liabilities of the United States, June 30, 1938 ---- 520
Table 45. Average yield on long-term United States Government bonds, by months, January 1919 to June 1938 ---- 523

CONDITION OF THE TREASURY EXCLUSIVE OF PUBLIC DEBT LIABILITIES

Table 46. Current assets and liabilities of the Treasury at the close of the fiscal years 1937 and 1938 (revised daily statement basis) ---- 524
Table 47. Balance in the General Fund of the Treasury at the end of each month, fiscal year 1938 (daily statement basis) ---- 526
Table 48. Securities owned by the United States Government, June 30, 1938 ---- 527

ASSETS AND LIABILITIES OF GOVERNMENTAL CORPORATIONS AND AGENCIES

Table 49. Combined statement of assets and liabilities of governmental corporations and credit agencies of the United States, as of June 30, 1938 ---- 530
Table 50. Proprietary interest of the United States in governmental corporations and credit agencies, as of June 30, 1929 to 1938 ---- 536

STOCK AND CIRCULATION OF MONEY IN THE UNITED STATES

Table 51. Stock of money, money in the Treasury, in the Federal Reserve banks, and in circulation June 30, 1913 to 1938 ---- 538
Table 52. Stock of money, by kinds, at the end of each fiscal year from 1913 to 1938 ---- 540
Table 53. Money in circulation, by kinds, at the end of each fiscal year from 1913 to 1938 ---- 541
Table 54. Stock of money, money in the Treasury, in the Federal Reserve banks, and in circulation, by kinds, June 30, 1938 ---- 542

TAX-EXEMPT SECURITIES

Table 55. Estimated amount of securities outstanding, interest on which is wholly or partially exempt from the Federal income tax, June 30, 1938 ---- 543
Table 56. Estimated amount of securities outstanding, interest on which is wholly or partially exempt from the Federal income tax, June 30, 1913 to 1938, by types of borrowers ---- 544

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

MISCELLANEOUS

Page

Table 57. Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15, 1938 ---- 548
Table 58. Net expenditures for Federal aid to States, individuals, etc. (exclusive of funds allocated for recovery and relief), fiscal years 1920, 1937, and 1938, and amounts appropriated for 1939, by appropriations -- 549
Table 59. Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid during the fiscal year 1938 ---- 553

PERSONNEL

Table 60. Number of employees in the departmental service of the Treasury in Washington, by months, from June 30, 1937, to June 30, 1938 ---- 560
Table 61. Number of employees in the departmental and field services of the Treasury on June 30, 1937, and June 30, 1938 ---- 561
Table 62. Number of persons retired, departmental and field services of the Treasury, August 20, 1920, to June 30, 1938, and number of persons eligible for retirement but retained, as of June 30, 1938 ---- 562

Index ---- 563

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

SECRETARIES, UNDER SECRETARIES, AND ASSISTANT SECRETARIES OF THE TREASURY DEPARTMENT FROM MARCH 4, 1933, TO NOVEMBER 15, 1938,[1] AND THE PRESIDENT UNDER WHOM THEY SERVED

Term of service		Official	Secretary of the Treasury	President
From—	To—			
		Secretaries of the Treasury		
Mar. 4, 1933	Dec. 31, 1933	William H. Woodin, New York		Roosevelt.
Jan. 1, 1934		Henry Morgenthau, Jr., New York		Roosevelt.
		Under Secretaries		
May 19, 1933	Nov. 16, 1933	Dean G. Acheson, Maryland	Woodin	Roosevelt.
Nov. 17, 1933	Dec. 31, 1933	Henry Morgenthau, Jr., New York	Woodin	Roosevelt.
May 2, 1934	Feb. 15, 1936	Thomas Jefferson Coolidge, Massachusetts.	Morgenthau	Roosevelt.
Jan. 29, 1937	Sept. 15, 1938	Roswell Magill, New York	Morgenthau	Roosevelt.
Nov. 1, 1938		John W. Hanes, North Carolina	Morgenthau	Roosevelt.
		Assistant Secretaries		
Apr. 18, 1933	Feb. 15, 1936	Lawrence W. Robert, Jr., Georgia	Woodin, Morgenthau	Roosevelt.
June 6, 1933		Stephen B. Gibbons, New York	Woodin, Morgenthau	Roosevelt.
June 12, 1933	Dec. 12, 1933	Thomas Hewes, Connecticut	Woodin	Roosevelt.
Dec. 1, 1934	Nov. 1, 1937	Josephine Roche, Colorado	Morgenthau	Roosevelt.
Feb. 19, 1936		Wayne C. Taylor, Illinois	Morgenthau	Roosevelt.
July 1, 1938	Oct. 31, 1938	John W. Hanes, North Carolina	Morgenthau	Roosevelt.

[1] For officials since 1789 see Annual Report for 1932, pp. xvii to xxi, and corresponding table in Annual Report for 1933.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY DEPARTMENT AS OF NOVEMBER 15, 1938

OFFICE OF THE SECRETARY

Henry Morgenthau, Jr.	Secretary of the Treasury.
John W. Hanes	Under Secretary of the Treasury.
Wayne C. Taylor	Assistant Secretary of the Treasury.
Stephen B. Gibbons	Assistant Secretary of the Treasury.
(Vacant)	Assistant Secretary of the Treasury.
Herbert E. Gaston	Assistant to the Secretary.
Daniel W. Bell	Assistant to the Secretary.
LeRoy Barton	Assistant to the Secretary.
Harold N. Graves	Assistant to the Secretary.
Eugene S. Duffield	Assistant to the Secretary.
Henrietta S. Klotz	Assistant to the Secretary.
John Kieley	Assistant to the Secretary.
Archie Lochhead	Technical Assistant to the Secretary.
William H. McReynolds	Administrative Assistant to the Secretary.
W. N. Thompson	Assistant Administrative Assistant to the Secretary.
Charles R. Schoeneman	Special Staff Assistant.
Edwin R. Ballinger	Technical Assistant.
Herbert S. Wood	Consulting Expert.
Beriah M. Thompson	Consulting Expert.
Thomas Tarleau	Legislative Counsel.
Eugene Sloan	Chief, Division of Savings Bonds.
James W. Bryan	Chief, Information Section, Division of Savings Bonds.
Herbert J. Wollner	Consulting Chemist.
H. R. Sheppard	Assistant to Assistant Secretary.
Francis C. Rose	Assistant to Assistant Secretary.
Mary E. Switzer	Assistant to Assistant Secretary.
F. A. Birgfeld	Chief Clerk.
John D. Fox	Superintendent of Treasury Buildings.
Frank J. Wilson	Chief, Secret Service Division.
L. C. Spangler	Chief, Division of Printing.
James E. Harper	Chief, Division of Appointments.
Gabrielle E. Forbush	Chief, Correspondence Division.

OFFICE OF THE GENERAL COUNSEL

Herman Oliphant	General Counsel.
Huntington Cairns	Assistant General Counsel.
Edward H. Foley, Jr.	Assistant General Counsel.
Lawrence J. Bernard	Assistant General Counsel.
Bernard Bernstein	Assistant General Counsel.
Oscar S. Cox	Assistant to the General Counsel.
Thomas A. Manning, Jr.	Assistant to the General Counsel.
Joseph J. O'Connell, Jr.	Special Assistant to the General Counsel.
John P. Wenchel	Chief Counsel, Bureau of Internal Revenue.
W. R. Johnson	Chief Counsel, Bureau of Customs.

DIVISION OF RESEARCH AND STATISTICS

George C. Haas	Director of Research and Statistics.
Al F. O'Donnell	Assistant Director.
Russell R. Reagh	Assistant Director (Government Actuary).
Lawrence H. Seltzer	Assistant Director.
Anna M. Michener	Assistant to the Director.
Charles S. Bell	Administrative Assistant to the Director.

DIVISION OF MONETARY RESEARCH

Harry D. White	Director of Monetary Research.
Harold Glasser	Assistant Director.

DIVISION OF TAX RESEARCH

Roy Blough	Director of Tax Research.
Joseph S. Zucker	Assistant Director.

PUBLIC DEBT SERVICE

William S. Broughton	Commissioner of the Public Debt.
Edwin L. Kilby	Assistant Commissioner of the Public Debt.
Rene W. Barr	Deputy Commissioner of the Public Debt.
Edward G. Dolan	Register of the Treasury.
Byrd Leavell	Assistant Register of the Treasury.
Marvin Wesley	Chief, Division of Loans and Currency.
Melvin R. Loafman	Chief, Division of Accounts and Audit.
Maurice A. Emerson	Chief, Division of Paper Custody.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

BUREAU OF ENGRAVING AND PRINTING

Alvin W. Hall	Director, Bureau of Engraving and Printing.
Clark R. Long	Assistant Director (Administration).
Jesse E. Swigart	Assistant Director (Production).

OFFICE OF THE COMMISSIONER OF ACCOUNTS AND DEPOSITS

Edward F. Bartelt	Commissioner of Accounts and Deposits.
William T. Heffelfinger	Assistant Commissioner of Accounts and Deposits.
Joseph Greenberg	Executive Assistant to the Commissioner.
Guy F. Allen	Chief Disbursing Officer, Division of Disbursement.
Robert W. Maxwell	Chief Accountant and Acting Chief, Division of Bookkeeping and Warrants.
Edward D. Batchelder	Chief, Division of Deposits.
Harry R. Schwalm	Chief Examiner, Section of Surety Bonds.

BUREAU OF THE COMPTROLLER OF THE CURRENCY

Preston Delano	Comptroller of the Currency.
Cyril B. Upham	Deputy Comptroller.
Eugene H. Gough	Deputy Comptroller.
(Vacant)	Deputy Comptroller.
W. P. Folger	Chief National Bank Examiner.
George R. Marble	Chief Clerk.

OFFICE OF THE TREASURER OF THE UNITED STATES

William A. Julian	Treasurer of the United States.
Marion Banister	Assistant Treasurer.
George O. Barnes	Executive Assistant to the Treasurer.
M. E. Slindee	Administrative Assistant.
Louis P. Allen	Chief Clerk.

BUREAU OF NARCOTICS

Harry J. Anslinger	Commissioner of Narcotics.
Will S. Wood	Deputy Commissioner of Narcotics.
Malachi L. Harney	Assistant to the Commissioner.

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE

Guy T. Helvering	Commissioner of Internal Revenue.
Milton E. Carter	Assistant to the Commissioner.
John R. Kirk	Deputy Commissioner.
George J. Schoeneman	Deputy Commissioner.
D. Spencer Bliss	Deputy Commissioner.
Stewart Berkshire	Deputy Commissioner.
Eldon P. King	Special Deputy Commissioner.
A. R. Marrs	Head, Technical Staff.
Elmer L. Irey	Chief, Intelligence Unit.
Bertha Wetherton	Special Assistant to the Commissioner.

FEDERAL ALCOHOL ADMINISTRATION

Wilford S. Alexander	Federal Alcohol Administrator.
John L. Huntington	Deputy Administrator.
H. C. Flanery	Deputy Administrator.
Philip E. Buck	General Counsel.
John E. O'Neill	Assistant General Counsel.
A. J. Barrett	Administrative Assistant.

BUREAU OF CUSTOMS

James H. Moyle	Commissioner of Customs.
Frank Dow	Assistant Commissioner of Customs.
Thomas J. Gorman	Deputy Commissioner.
Harvey A. Benner	Deputy Commissioner.

BUREAU OF THE MINT

Nellie Tayloe Ross	Director of the Mint.
(Vacant)	Assistant Director.

PUBLIC HEALTH SERVICE

Thomas Parran, Jr.	Surgeon General.
Lawrence Kolb	Assistant Surgeon General.
Robert Olesen	Assistant Surgeon General.
L. R. Thompson	Assistant Surgeon General.
Paul M. Stewart	Assistant Surgeon General.
C. E. Waller	Assistant Surgeon General.
S. L. Christian	Assistant Surgeon General.
C. L. Williams	Assistant Surgeon General.
R. A. Vonderlehr	Assistant Surgeon General.
W. F. Draper	Executive Officer.
D. S. Masterson	Chief Clerk and Administrative Officer.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

UNITED STATES COAST GUARD

Rear Admiral Russell R. Waesche	Commandant.
Capt. Leon C. Covell	Assistant Commandant and Chief of Operations.
Capt. Philip W. Lauriat	Inspector in Chief.
Capt. Roger C. Weightman	Chief Personnel Officer.
Capt. Lloyd T. Chalker	Chief Aviation Officer.
Capt. (E) Harvey F. Johnson	Engineer in Chief.
Comdr. P. F. Roach	Chairman of Permanent Board.
Comdr. William J. Keester	Chief Supply Officer.
Comdr. James F. Farley	Chief Communications Officer.
Comdr. G. U. Stewart	Chief Ordnance Officer.
Comdr. Frank J. Gorman	Chief Finance Officer.
Lt. Frank E. Follio	Acting Chief Intelligence Officer.

PROCUREMENT DIVISION

Rear Admiral C. J. Peoples	Director of Procurement.
W. E. Reynolds	Assistant Director, Public Buildings Branch.
Harry E. Collins	Assistant Director, Supply Branch.
E. R. Witman	Executive Officer, Public Buildings Branch.
N. Max Dunning	Assistant to Assistant Director, Public Buildings Branch.
Robert LeFevre	Assistant to Assistant Director, Supply Branch.
W. N. Rehlaender	Administrative Assistant, Supply Branch.
Louis A. Simon	Supervising Architect.
Neal A. Melick	Supervising Engineer.
Edward Bruce	Chief, Section of Fine Arts.

ADVISORY COMMITTEE ON ARCHITECTURAL DESIGN

(Vacant), Chairman.
Aymar Embury II.
Philip B. Maher.
Henry R. Shepley.
Louis A. Simon.

BOARD OF AWARDS, PUBLIC BUILDINGS BRANCH

F. P. Trott, Assistant Executive Officer, Chairman.
Neal A. Melick, Supervising Engineer.
W. C. Noll, Superintendent, Architectural Section.
Nelson S. Thompson, Chief, Mechanical Engineering Section.
James D. Head, Acting Chief Counsel, Legal Section.
John H. Schaefer, Office Manager.
John Weber, Secretary.

BOARD OF AWARDS, SUPPLY BRANCH

Robert LeFevre, Assistant to Assistant Director, Chairman.
R. J. Queenin, Chief, Finance Division.
W. N. Rehlaender, Administrative Assistant.

STANDING DEPARTMENTAL COMMITTEES

BUDGET AND IMPROVEMENT COMMITTEE

C. R. Schoeneman, Chairman.
F. A. Birgfeld, Vice Chairman.
W. N. Thompson.
George O. Barnes.
Charles S. Bell.
R. L. Harlow.
John H. Schaefer.
Arthur E. Wilson.
M. E. Slindee.
Mary E. Switzer.
Fred P. Trott.
E. C. Nussear, Secretary.

COMMITTEE ON ENROLLMENT AND DISBARMENT

Guy C. Hanna, Chairman.
W. W. Cook.
George D. Carrington.
E. B. Van Veen, Attorney for the Government.

COMMITTEE ON PERSONNEL

F. A. Birgfeld, Chairman.
James E. Harper.
(Vacant.)

COMMITTEE ON CIVIL SERVICE RETIREMENT

F. A. Birgfeld, Chairman.
James E. Harper.
W. N. Thompson.
Frank Dow.

BOARD OF REVIEW
(Refunds of Processing Taxes)

L. S. Cannon, Chairman.
(Vacant), Vice Chairman.
John W. Edwards.
H. Stewart McDonald, Jr.
Percy S. Crewe.
Annabel Mattbews.
William Schwartz.
Temple W. Seay.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

DEPARTMENT OF THE TREASURY

November 15, 1938

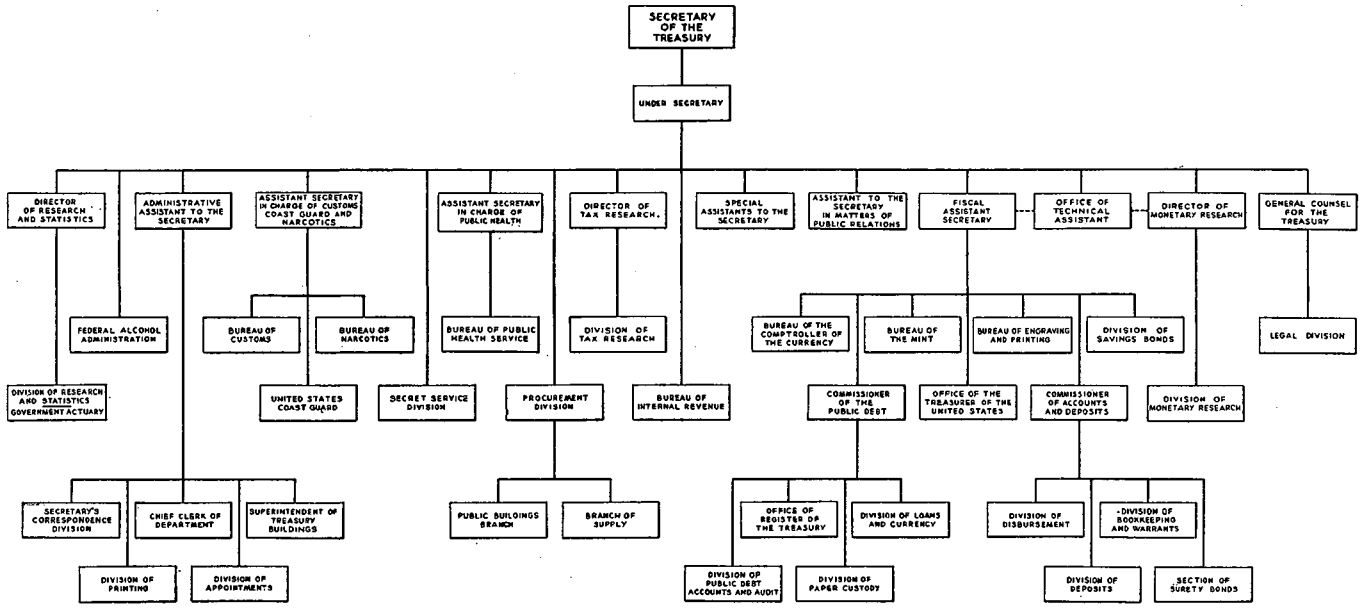


CHART 1.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ANNUAL REPORT ON THE FINANCES

TREASURY DEPARTMENT,
Washington, D. C., January 5, 1939.

SIR: I have the honor to make the following report for the fiscal year ended June 30, 1938:

BUDGET RESULTS

Receipts

Receipts in general and special accounts amounted to $6,241,700,000 during the fiscal year 1938, an increase of $947,900,000 over the previous year.

RECEIPTS[1], FISCAL YEARS 1929 TO 1938, BY PRINCIPAL SOURCES

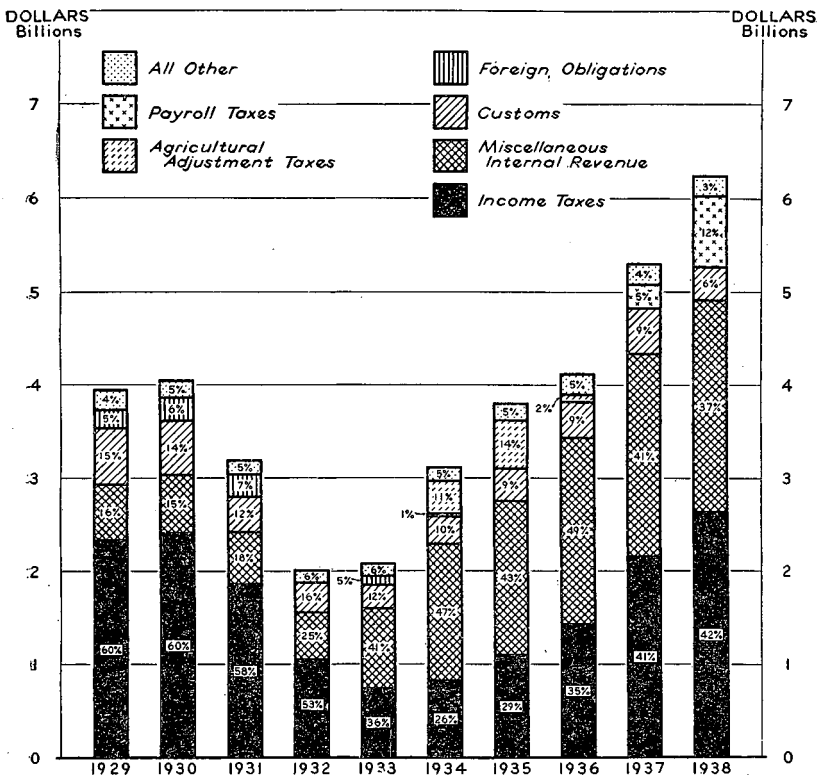


CHART 2.

[1] Excludes trust accounts.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The trend in receipts by major sources for the fiscal years 1929 to 1938, inclusive, is shown in the chart on page 1. A comparison of receipts for 1937 and 1938 is presented in the table following. A more detailed comparison of internal revenue receipts appears in table 11 on page 425 of this report.

Receipts by major sources for the fiscal years 1937 and 1938 [1]

[In millions of dollars]

Source	1937	1938	Increase or decrease (−)
Internal revenue:			
Income taxes:			
Current corporation [2]	894.3	1,145.6	251.3
Current individual	996.0	1,189.0	193.0
Back taxes	258.3	251.6	−6.7
Excess-profits tax	25.1	36.6	11.5
Total income taxes (collection basis)	2,173.7	2,622.8	449.1
Adjustment to daily Treasury statement (unrevised)	−16.2	11.8	28.0
Total income taxes (cash basis)	2,157.5	2,634.6	477.1
Miscellaneous internal revenue taxes:			
Capital stock	137.5	139.3	1.8
Estate	281.6	382.2	100.6
Gift	23.9	34.7	10.8
Distilled spirits and wines (including special taxes) [2]	312.2	294.5	−17.7
Fermented malt liquors (including special taxes) [2]	281.6	273.2	−8.4
Tobacco [2]	551.9	567.8	15.9
Stamp	69.9	46.2	−23.7
Manufacturers' excise taxes:			
Gasoline	196.5	203.6	7.1
Automobiles, trucks, tires, tubes, and parts or accessories	125.2	89.6	−35.6
Electrical energy	36.0	38.5	2.5
Lubricating oils	31.5	31.6	.1
All other	[3] 60.7	53.5	−7.2
Total manufacturers' excise taxes	449.9	416.8	−33.1
Telegraph, telephone, cable, and radio facilities, etc.	24.6	24.0	−.6
Transportation of oil by pipe line	11.2	12.5	1.3
Admissions	19.7	20.8	1.1
Coconut, etc., oils processed [2]	11.6	13.3	1.7
Bituminous Coal Act of 1937		3.2	3.2
Sugar Act of 1937		30.6	30.6
All other miscellaneous	[3] 13.0	13.2	.2
Total miscellaneous internal revenue taxes (collection basis)	2,188.7	2,272.2	83.5
Adjustment to daily Treasury statement (unrevised)	−7.5	7.3	14.8
Total miscellaneous internal revenue taxes (cash basis)	2,181.2	2,279.5	98.3
Other internal revenue taxes:			
Carriers and their employees	.3	149.5	149.2
Social Security	265.5	593.2	327.7
Unjust enrichment	6.1	6.2	.1
Total other internal revenue taxes (collection basis)	271.8	748.9	477.1
Adjustment to daily Treasury statement (unrevised)	−13.4	11.3	24.7
Total other internal revenue taxes (cash basis)	258.4	760.2	501.8
Total internal revenue taxes (collection basis)	4,634.3	5,643.8	1,009.5
Adjustment to daily Treasury statement (unrevised)	−37.2	30.5	67.7
Total internal revenue taxes (cash basis)	4,597.1	5,674.3	1,077.2
Customs	486.4	359.2	−127.2
Total internal revenue taxes and customs (cash basis)	5,083.5	6,033.5	950.0

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Receipts by major sources for the fiscal years 1937 and 1938 [1]—Continued

[In millions of dollars]

Source	1937	1938	Increase or decrease (−)
Miscellaneous receipts;			
Proceeds of Government owned securities;			
Foreign obligations	.6	.6	
All other	68.2	65.0	−3.2
Seigniorage	48.9	35.6	−13.3
All other miscellaneous receipts	92.6	107.0	14.4
Total miscellaneous receipts (cash basis)	210.3	208.2	−2.1
Total receipts, general and special accounts (cash basis)	5,293.8	6,241.7	947.9

[1] The detail of income taxes, miscellaneous internal revenue taxes, and other internal revenue taxes is on the basis of internal revenue collections with totals adjusted to basis of daily Treasury statement (unrevised). Customs and miscellaneous receipts are shown on the basis of the daily Treasury statement (unrevised). General and special accounts are combined. For description of accounts and bases, see p. 351.
[2] Collections for credit to trust funds are not included. For details of the collections see note on p. 426.
[3] Receipts from jewelry tax, repealed effective June 23, 1936, included in "all other miscellaneous."

NOTE.—Figures are rounded to nearest tenth of a million and will not necessarily add to totals.

A large share of the increase of $947,900,000 in receipts during the year was accounted for by an increase of $444,300,000 in current corporation and individual income taxes. Receipts from these sources rose not only because of the high levels of incomes in 1936 and 1937 but also because of the effect of the legislative changes incorporated in the Revenue Acts of 1936 and 1937. The provisions of the Revenue Act of 1936 included the undistributed profits tax, the subjection of dividends to normal taxes, and an increase in surtax rates on individual incomes; and the Revenue Act of 1937 contained provisions which concerned mainly the prevention of tax avoidance. The increase of $476,900,000 in taxes which first became effective during the fiscal year 1937, viz, social security taxes and taxes upon carriers and their employees, imposed by the Carriers Taxing Act of 1937, accounted for more than half of the total increase in receipts. A detailed classification of receipts from social security taxes appears in table 19 on page 446. Other significant changes in receipts were the increases of $100,600,000 in the collections from estate taxes and $15,900,000 from tobacco taxes. The $30,600,000 collections from taxes imposed by the Sugar Act of 1937 and the $3,200,000 collections from taxes imposed by the Bituminous Coal Act of 1937 constituted new sources of revenue during the fiscal year 1938.

The largest decrease occurred in customs receipts as a result of a substantial contraction of imports during the last 6 months of the fiscal year 1938 compared with the corresponding period during the previous year. Other sizable decreases occurred in the collections from excise taxes on automobiles, etc., stamp taxes, and taxes on distilled spirits and wines.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Sources.—As is regularly the case, the bulk of ordinary receipts in 1938 was derived from relatively few sources. As shown by data in the table on page 2, 86 percent of ordinary receipts came from customs and the following eleven tax sources, arranged in order of magnitude: Current individual income; current corporation income; social security; tobacco; estate; distilled spirits and wines; fermented malt liquors; gasoline; carriers and their employees; capital stock; and automobiles, trucks, tires, tubes, and parts or accessories. Among primary sources of revenue, the individual and corporation income taxes, both on current and back account, and the estate and capital stock taxes yielded approximately $3,107,700,000 or almost one-half the total receipts.

The proportion of receipts derived from income and related taxes on individuals and corporations has increased greatly since 1934, while the proportion derived from commodity levies in the aggregate, including the customs, has decreased. The commodity levies were, of course, increased by collections from the processing taxes in 1934 and 1935 but have declined in relative importance even since 1936. These shifts resulted partly from changes in the general business situation, which affect income tax receipts more sharply than receipts from relatively stable consumption sources; and partly from revenue law changes involving, among other things, heavier direct taxation on individual incomes and estates.

Individual and corporate income taxes, which constituted from one-half to three-fifths of total receipts in 1932 and prior years, constituted 41 percent of total receipts in 1938. Social security taxes, which were first collected during the fiscal year 1937, constituted almost 10 percent of total receipts in 1938. The estate tax, which constituted 6 percent of total receipts in 1938, contributed a larger absolute amount than in any prior year. Miscellaneous receipts, not in the main of tax origin, which had large significance in the decade or more when the Government was realizing upon its war investments and loans, have been comparatively small in the past few years.

Expenditures

Total expenditures of the Federal Government under general and special accounts amounted to $7,691,000,000 in the fiscal year 1938, a decrease of $855,000,000 from the previous year.

The table that follows shows in summary form the major changes in expenditures between the fiscal years 1937 and 1938. The trend in total expenditures and in the principal classes of expenditures for recent years is shown in the chart on page 6, and in greater detail in table 8, page 418. Classifications are on a functional basis and are directly comparable from year to year.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Expenditures by major functions, fiscal years 1937 and 1938 [1]

[On basis of daily Treasury statements as reclassified on July 1, 1938, and of classifications of the Bureau of the Budget. In millions of dollars]

Class	1937	1938	Increase or decrease (—)
Ordinary:			
Legislative, judicial, and civil establishments	689	712	23
National defense	895	980	85
Veterans' pensions and benefits	1,128	572	—556
Interest on the public debt	866	926	60
Refunds of receipts	56	100	44
Agricultural adjustment program	527	362	—165
Social security	448	678	230
Railroad retirement	6	145	139
Government employees' retirement funds	47	73	26
Other (settlement of war claims, Commodity Credit Corporation losses, etc.)	1	98	97
Total	4,663	4,646	—17
Public works:			
Public highways	351	237	—114
Tennessee Valley Authority	42	42	
Reclamation	52	65	13
Rivers and harbors, improvement	148	98	—50
Flood control	45	61	16
Public buildings	76	77	1
Grants to public bodies, including administration	273	190	—83
Other	115	110	—5
Total	1,102	880	—222
Unemployment relief:			
Direct relief	184	154	—30
Work relief	1,957	1,516	—441
Civilian Conservation Corps	386	326	—60
Total	2,527	1,996	—531
Loans and subscriptions to stock, etc. (net)	150	104	—46
Debt retirement	104	65	—39
Total expenditures	8,546	7,691	—855

[1] Classification includes both general and emergency funds.

Table 3, page 379, presents a comparison of expenditures on the basis of the daily Treasury statement as reclassified on July 1, 1938. Recovery and relief expenditures are classified as to provisions for repayment in table 9, page 419.

The decrease of $17,000,000 in the ordinary expenditures of the Government included a net decrease of $556,000,000 in the expenditures for veterans' pensions and benefits, which was due principally to the completion in 1937 of the transfers to the adjusted service certificate fund for the veterans' adjusted compensation payment. Expenditures for national defense increased by $85,000,000, including expenditures for the construction of naval vessels, aircraft, and subsidiary works to meet provisions of the naval treaties of 1922 and 1930. The increase in expenditures for refunds of receipts was accounted for largely by the return, authorized by the act approved August 24, 1937, of $41,000,000 of taxes collected under title IX of the Social Security Act to the thirteen States which enacted in 1937 an approved unemployment compensation law.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The increase in social security expenditures of $230,000,000 included an increase of $122,000,000 in transfers to the old-age reserve account. Expenditures for railroad retirement, which increased $139,000,000, consisted mainly of transfers to the railroad retirement account, which were begun in July 1937 and made monthly thereafter. The table on page 446 shows the expenditures and also the receipts under the Social Security and Railroad Retirement Acts for the fiscal years 1936 to 1938 and monthly during 1938.

EXPENDITURES, FISCAL YEARS 1929 TO 1938, BY PRINCIPAL CLASSES

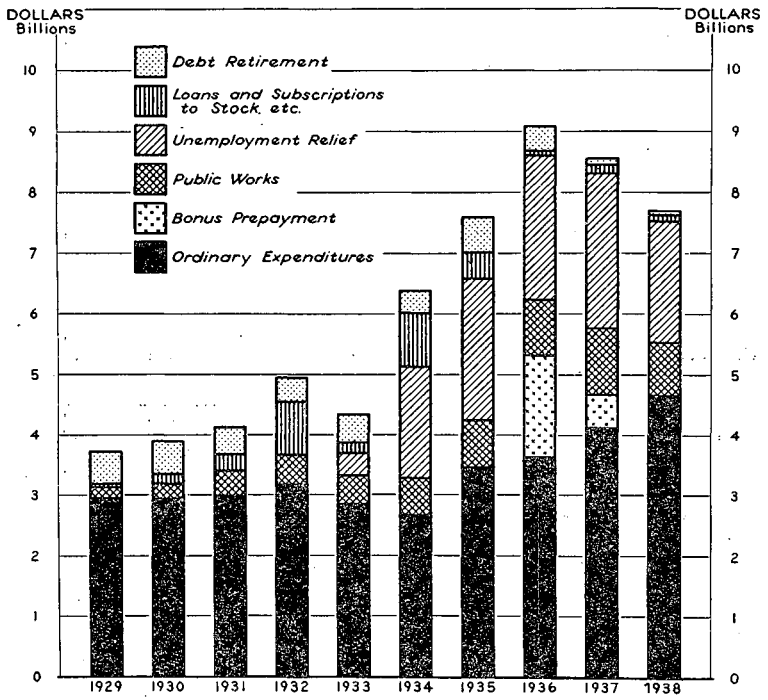


CHART 3.

"Other" ordinary expenditures increased $97,000,000 over the previous year. This increase was due mainly to the appropriation of $94,000,000 to the Commodity Credit Corporation in the Deficiency Act of June 25, 1938, to restore capital which had become impaired as a result of its operations, as provided by the act approved March 8, 1938.

The decrease of $222,000,000 in public works expenditures was accounted for by decreased expenditures for public highways, for improvement of rivers and harbors, and for grants to public bodies. Expenditures for unemployment relief declined by $531,000,000, mainly as a result of a decrease in expenditures of the Works Progress Administration of $424,000,000.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Loans and subscriptions to stock, etc. (net), decreased $46,000,000 over the previous year. Details with respect to revolving fund payments and collections are shown in the table on page 464.

Public debt retirements amounted to $65,000,000 in the fiscal year 1938. A detailed discussion of public debt operations and expenditures is presented below.

Deficit

The deficit for the fiscal year 1938, in general and special accounts, amounted to $1,449,600,000. If public debt retirements are deducted, the net deficit for the year amounted to $1,384,200,000. This compares with a net deficit of $3,148,600,000 for the previous year.

THE PUBLIC DEBT

The gross public debt outstanding at the close of the fiscal year 1938 amounted to $37,164,700,000, an increase of $740,100,000 since June 30, 1937. This is the smallest annual increase in the gross debt since the fiscal year 1931, and is accounted for as follows:

Excess of expenditures		$1,524,713,050.28
Less:		
Public debt retirements included in expenditures	$65,464,950.00	
Excess of receipts over expenditures in trust and other special accounts, excluding retirements of national bank notes	381,565,532.81	
Reduction in General Fund balance	337,555,984.31	
		784,586,467.12
Increase in gross public debt		740,126,583.16

Although the gross public debt increased during the year, the amount of interest-bearing public issues decreased $341,800,000. Special issues to Government agencies and trust funds increased $1,117,700,000 during the year.

The net changes during the year in the various classes of securities which constitute the outstanding debt are shown in the two tables which follow, classified as to public and special issues. The first table presents a comparison of the amounts outstanding at the beginning and at the end of the year, and the second shows, in summary form, the issues and maturities or redemptions of the interest-bearing debt. The various classes of securities which made up the outstanding debt during the years 1932 to 1938 are shown in the table on page 491 of this report.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Comparison of public debt outstanding June 30, 1937 and 1938, by classes

[On basis of daily Treasury statements (unrevised), see p. 351]

	June 30, 1937	June 30, 1938	Increase or decrease (−)
Interest-bearing:			
Public issues:			
Bonds:			
Pre-war and postal savings bonds	$197,780,860.00	$196,759,920.00	−$1,020,940.00
Treasury bonds	19,935,749,800.00	21,846,029,950.00	1,910,280,150.00
United States savings bonds	[1] 799,648,901.77	[1] 1,237,672,854.05	438,023,952.28
Adjusted service bonds of 1945	388,574,650.00	318,701,250.00	−69,873,400.00
Total bonds	21,321,754,211.77	23,599,163,974.05	2,277,409,762.28
Treasury notes	10,617,241,250.00	9,146,922,950.00	−1,470,318,300.00
Treasury bills	2,303,094,000.00	1,154,164,000.00	−1,148,930,000.00
Total public issues	34,242,089,461.77	33,900,250,924.05	−341,838,537.72
Special issues:			
Adjusted service bonds, Government life insurance fund series	500,157,956.40	500,157,956.40	
Treasury notes	707,967,000.00	1,277,717,000.00	569,750,000.00
Certificates of indebtedness	349,895,000.00	897,800,000.00	547,905,000.00
Total special issues	1,558,019,956.40	2,675,674,956.40	1,117,655,000.00
Total interest-bearing debt	35,800,109,418.17	36,575,925,880.45	775,816,462.28
Matured debt on which interest has ceased	118,529,815.26	141,362,460.26	22,832,645.00
Debt bearing no interest	505,974,498.86	447,451,974.74	−58,522,524.12
Total gross debt	36,424,613,732.29	37,164,740,315.45	740,126,583.16
Balance in General Fund	2,553,473,897.31	2,215,917,913.00	−337,555,984.31
Gross debt less balance in General Fund	33,871,139,834.98	34,948,822,402.45	1,077,682,567.47

[1] Proceeds of sales plus earned accruals less redemptions. For full account of sales, see p. 14.

Issues and maturities and redemptions of interest-bearing debt, fiscal year 1938

[On basis of daily Treasury statements (unrevised), see p. 351]

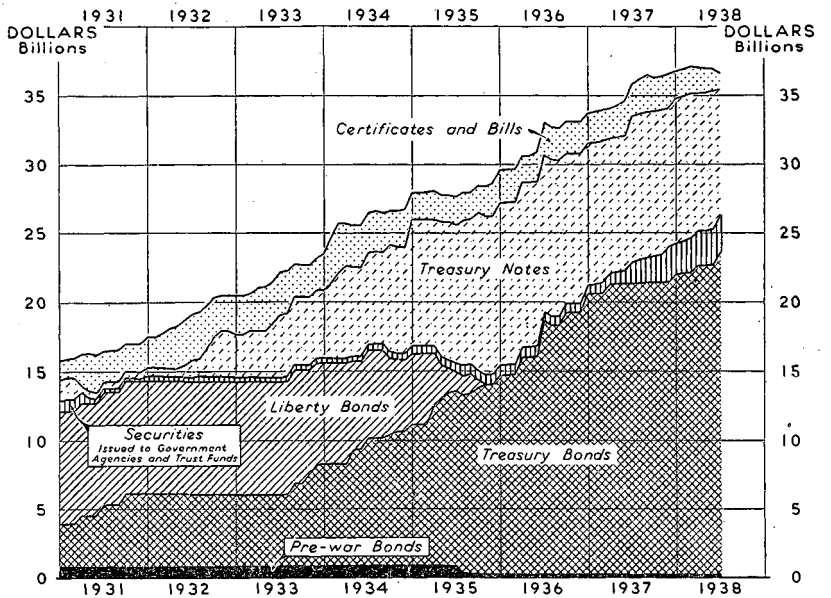
Interest-bearing debt	Issues	Maturities and redemptions
Public issues:		
Pre-war and postal savings bonds		$1,020,940.00
Treasury bonds	$1,910,602,550.00	322,400.00
United States savings bonds	[1] 504,653,947.53	66,629,995.25
Adjusted service bonds of 1945	12,750,800.00	82,624,200.00
Total bonds	2,428,007,297.53	150,597,535.25
Treasury notes	1,275,755,000.00	2,746,073,300.00
Treasury bills	3,757,949,000.00	4,906,879,000.00
Total public issues	7,461,711,297.53	7,803,549,835.25
Special issues:		
Treasury notes	702,615,000.00	132,865,000.00
Certificates of indebtedness	1,455,870,000.00	907,965,000.00
Total special issues	2,158,485,000.00	1,040,830,000.00
Grand total	9,620,196,297.53	8,844,379,835.25

[1] Proceeds of sales plus earned accruals.

The composition of the interest-bearing debt outstanding, by types of obligations, monthly, January 1931 to June 1938, in amounts and in percent of the total, is shown in chart 4 on page 9. The various maturities, by calendar years, of the interest-bearing debt outstanding on June 30, for the years 1933, 1935, 1937, and 1938 are shown in chart 5 on page 11.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

COMPOSITION OF THE INTEREST-BEARING PUBLIC DEBT OUTSTANDING, BY TYPES OF OBLIGATIONS, MONTHLY, JANUARY 1931 TO JUNE 1938



PERCENTAGE COMPOSITION OF THE INTEREST-BEARING PUBLIC DEBT OUTSTANDING, MONTHLY, JANUARY 1931 TO JUNE 1938

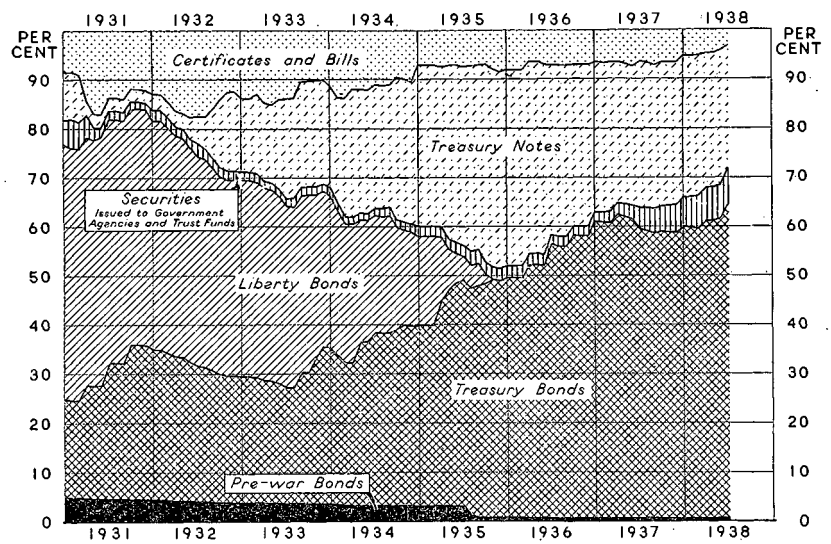


CHART 4.

NOTE.—United States savings bonds and adjusted service bonds included with Treasury bonds. Securities issued to Government agencies and trust funds include all such special obligations, whether in the form of bonds, notes, or certificates of indebtedness.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The computed annual interest charge, on the basis (unrevised) of the interest-bearing debt outstanding at the beginning and at the end of the year, increased from $924,275,241 to $947,084,058, and the computed average rate of interest increased from 2.582 to 2.589 percent. Actual expenditures for interest during 1938 amounted to $926,280,714.

The interest due and payable on the various classes of securities during 1938 and the amounts paid and outstanding unpaid are shown in the table on page 517. The interest paid on the public debt, by issues, for the years 1936 to 1938 are shown in the table on page 518.

The course of the interest-bearing debt outstanding and of the computed rate of interest thereon is shown from January 1921 through June 1938 in chart 6 on page 13, and from June 1916 through June 1938 in table 43 on page 519.

The open market operations during the year included: (1) The offering of three series of Treasury bonds and four series of Treasury notes, (2) weekly offerings and redemptions of Treasury bills, and (3) the sale of United States savings bonds.

Treasury bonds and Treasury notes

The major public debt operations involving Treasury bonds and Treasury notes were carried out on the four regular tax-payment dates. All offerings were for refunding purposes except the December offerings of bonds and notes which were for both cash and exchange. Four series of Treasury notes maturing during the year and the series maturing on September 15, 1938, were refunded. These operations are summarized in the following table:

Quarterly financing during the fiscal year 1938

Quarterly date	Issue	Amount	
Sept. 15, 1937	1¼ percent Treasury notes, series E-1938, due Dec. 15, 1938:		
	In exchange for 3¼ percent Treasury notes of series A-1937, maturing Sept. 15, 1937		$433,460,900
	2 percent Treasury notes, series B-1942, due Sept. 15, 1942:		
	In exchange for 3¼ percent Treasury notes of series A-1937, maturing Sept. 15, 1937		342,143,300
Dec. 15, 1937	2½ percent Treasury bonds of 1945, due Dec. 15, 1945:		
	In exchange for 2⅝ percent Treasury notes of series A-1938, maturing Feb. 1, 1938	$247,330,300	
	For cash	293,513,250	
			540,843,550
	1¾ percent Treasury notes, series C-1942, due Dec. 15, 1942:		
	In exchange for 2⅝ percent Treasury notes of series A-1938, maturing Feb. 1, 1938	13,339,500	
	For cash	219,035,700	
			232,375,200
Mar. 15, 1938	2½ percent Treasury bonds of 1948, due Sept. 15, 1948:		
	In exchange for 3 percent Treasury notes of series C-1938, maturing Mar. 15, 1938		450,978,400
June 15, 1938	2¾ percent Treasury bonds of 1958-63, due June 15, 1958-63:		
	In exchange for 2⅞ percent Treasury notes of series B-1938, maturing June 15, 1938	571,736,200	
	In exchange for 2½ percent Treasury notes of series D-1938, maturing Sept. 15, 1938	347,044,400	
			918,780,600
	1⅞ percent Treasury notes, series A-1943, due June 15, 1943:		
	In exchange for 2⅞ percent Treasury notes of series B-1938, maturing June 15, 1938	36,142,600	
	In exchange for 2½ percent Treasury notes of series D-1938, maturing Sept. 15, 1938	231,633,000	
			267,775,600
			3,186,357,550

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

MATURITY, BY CALENDAR YEARS, OF THE INTEREST-BEARING PUBLIC DEBT OUTSTANDING [1]

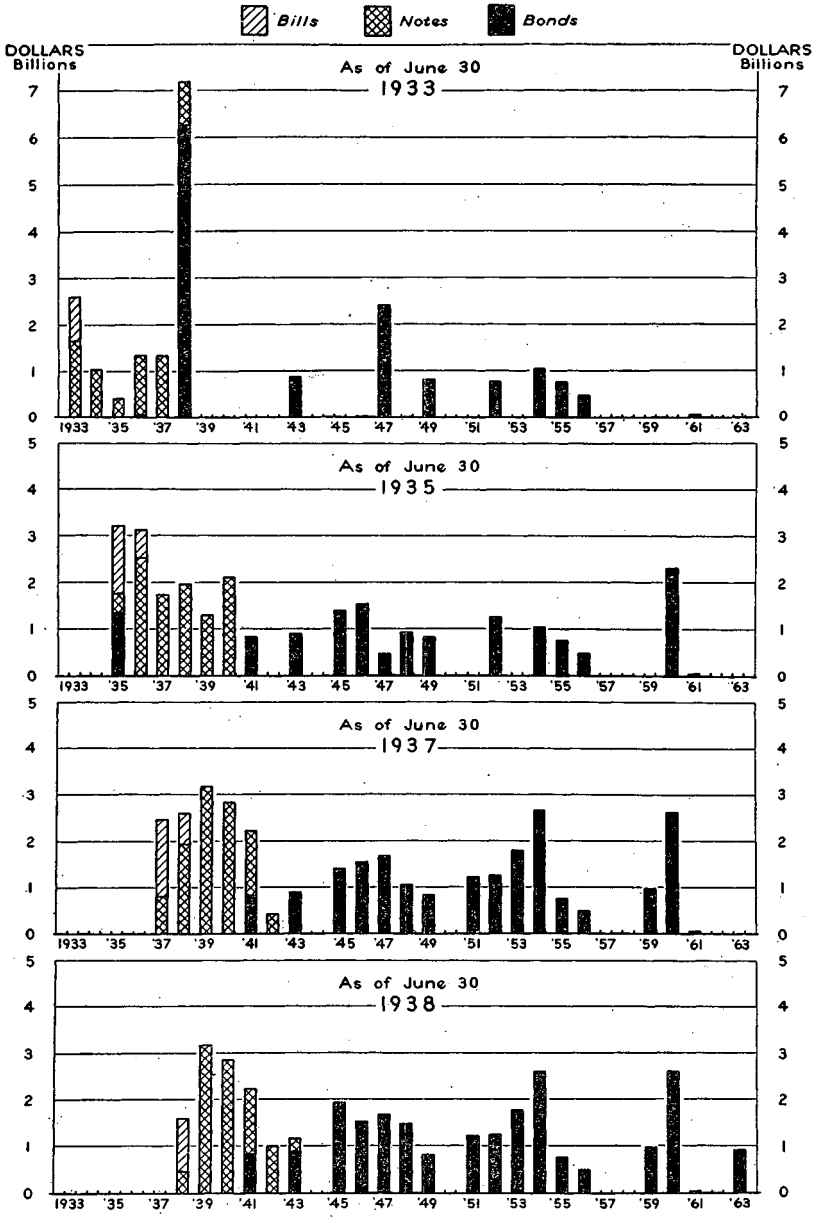


CHART 5.

[1] Exclusive of consols, postal savings bonds, United States savings bonds, adjusted service bonds, and special obligations issued to governmental trust funds and agencies. Certificates of indebtedness are included with Treasury notes.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Quarterly financing during the fiscal year 1938—Continued

RECAPITULATION

Issued	Treasury bonds	Treasury notes	Total
For cash	$293, 513, 250	$219, 035, 700	$512, 548, 950
In exchange	1, 617, 089, 300	1, 056, 719, 300	2, 673, 808, 600
Total	1, 910, 602, 550	1, 275, 755, 000	3, 186, 357, 550

All official circulars and statements relating to these transactions are included in the exhibits beginning on page 241.

Treasury bills

Offerings of Treasury bills were made each week during the year, some to replace maturing issues and some in anticipation of income tax receipts due on the regular quarterly tax-payment dates.

At the beginning of the year 46 series of Treasury bills aggregating $2,303,094,000 were outstanding. During the year 66 series aggregating $3,757,949,000 were issued, and 96 series aggregating $4,906,879,000 matured. At the end of the year 16 series aggregating $1,154,164,000 were outstanding. Except for those Treasury bills issued to mature during quarterly tax-payment date periods, Treasury bills issued during the early part of the year were for a term of 273 days, and those issued after October 20, 1937, were for a term of 91 days. The highest average rate, computed on a bank discount basis, for 273-day bills was 0.711 percent for those dated September 8, 1937, the lowest average rate for 273-day bills was 0.362 percent for those dated October 20, 1937. The highest average rate for 91-day bills was 0.146 percent for those dated April 13, 1938, the lowest average rate was 0.011 percent for those dated June 29, 1938. The average rate on all bills issued during the year was 0.201 percent, and the average rate on all matured bills was 0.327 percent.

Further information concerning Treasury bills will be found in exhibits 9 to 11, beginning on page 250, and in table 36 on page 510.

United States savings bonds

The sale of United States savings bonds continued during the year without any change in terms or conditions of issue. These bonds, primarily intended for the service of small investors, are sold on a discount basis, with a 10-year maturity, but are redeemable before maturity, at the option of owners, at fixed redemption values. They are sold over-the-counter at post offices, and by mail on application to the Treasurer of the United States or to any Federal Reserve bank. They are issued in denominations of $25, $50, $100, $500, and $1,000, maturity value, at an issue price at the rate of $75 for each $100 maturity value.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

During the fiscal year 1938, savings bonds with a maturity value of $650,700,000 were sold, for which cash receipts aggregating $488,000,000 were received by the Treasury. Bonds with a maturity value of $87,700,000 were redeemed, at the request of owners, at their current redemption value of $66,900,000.

INTEREST-BEARING DEBT OUTSTANDING [1] AND COMPUTED RATE OF INTEREST THEREON, BY MONTHS, JANUARY 1921 TO JUNE 1938

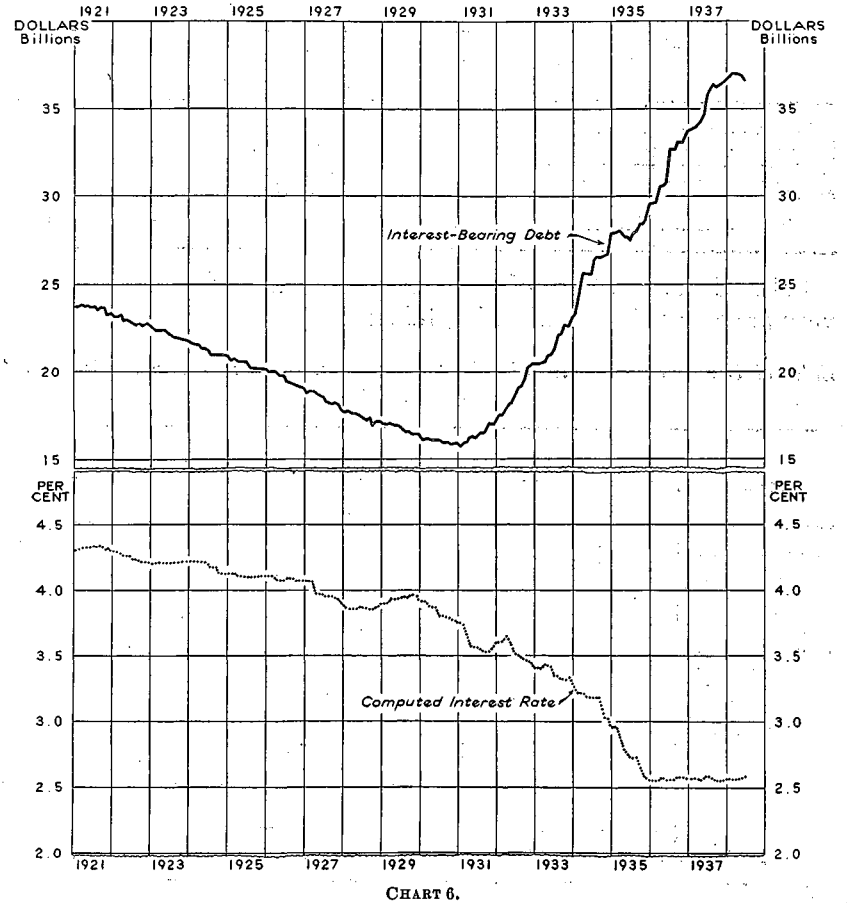


CHART 6.

Between March 1, 1935, when the issue was inaugurated, and June 30, 1938, bonds aggregating $1,773,100,000 maturity value were sold, for which cash aggregating $1,329,900,000 was received by the Treasury. Increase in the redemption value of the outstanding bonds over their issue price aggregated $25,600,000 to June 30, 1938. During the same period bonds with a maturity value of $151,500,000 were redeemed at their current redemption value of $115,000,000, and there

[1] On basis of daily Treasury statements (unrevised).

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

remained outstanding on June 30, 1938, bonds with a maturity value of $1,621,700,000 and a current redemption value of $1,240,400,000.

The following statement, on the basis of daily Treasury statements, revised, summarizes the issues and redemptions of savings bonds by fiscal years from March 1, 1935, when the sale was inaugurated, to June 30, 1938:

Fiscal year	Issued		Redeemed	
	Maturity value	Cash receipts	Maturity value	Redemption value
1935 (Mar. 1 to June 30)	$83,422,725	$62,567,043.75	$707,850	$530,887.50
1936	352,277,425	264,208,068.75	14,971,200	11,252,714.75
1937	686,739,175	515,054,398.80	48,040,125	36,327,912.25
1938	650,707,500	488,030,611.85	87,732,250	66,868,862.75
Accruals to June 30, 1938		25,552,309.25		
Total	1,773,146,825	1,355,412,432.40	151,451,425	114,980,377.25

Sales of savings bonds by months and denominations during the year are shown in the following table:

Sales of United States savings bonds, by months and denominations, July 1937 to June 1938

Month	$25	$50	$100	$500	$1,000	Total
	Maturity value					
1937—July	$1,223,375.00	$1,975,050.00	$6,489,800	$9,433,000	$31,434,000	$50,555,225.00
August	1,170,475.00	1,778,200.00	5,756,100	7,081,000	24,697,000	40,482,775.00
September	1,092,325.00	1,635,950.00	5,294,000	6,480,500	20,825,000	35,327,775.00
October	1,174,975.00	1,763,050.00	5,529,700	6,810,500	21,868,000	37,146,225.00
November	1,179,950.00	1,765,850.00	5,479,700	6,886,000	21,907,000	37,218,500.00
December	1,523,450.00	2,136,450.00	6,796,500	9,312,000	42,411,000	62,179,400.00
1938—January	1,721,700.00	2,581,500.00	8,732,700	13,685,500	104,036,000	130,757,400.00
February	1,546,775.00	2,242,700.00	7,043,200	9,309,000	39,398,000	59,539,675.00
March	1,588,425.00	2,390,800.00	7,262,000	9,487,500	39,162,000	59,890,725.00
April	1,394,750.00	2,039,850.00	6,442,200	7,976,000	31,956,000	49,808,800.00
May	1,285,925.00	1,888,500.00	5,685,600	6,592,000	28,027,000	43,479,025.00
June	1,179,700.00	1,782,150.00	5,498,900	6,690,500	28,154,000	43,305,250.00
Total	16,081,825.00	23,980,050.00	76,010,400	99,743,500	433,875,000	649,690,775.00
	Cash receipts					
Total	12,061,368.75	17,985,037.50	57,007,800	74,807,625	325,406,250	487,268,081.25

The preceding table is compiled on the basis of the Treasury audit of original registration stubs representing sales by the Postal Service, the Federal Reserve banks, and the Treasury Department during the fiscal year 1938. These figures are not in agreement with those presented elsewhere in this report, as certain proceeds of sales of bonds with issue dates in one fiscal year are not cleared until after the close of that fiscal year.

For other data concerning savings bonds, reference is made to the administrative report of the Division of Savings Bonds, on page 231, and to that of the Division of Loans and Currency, on page 206.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Special issues

Special issues of interest-bearing securities, made for the investment of trust or other funds deposited in the Treasury or pursuant to appropriations for specific purposes, increased $1,117,700,000 during the year. Total issues aggregated $2,158,500,000 and redemptions amounted to $1,040,800,000. The increase in the amount of these issues is due for the most part to investments for the old-age reserve account and the unemployment trust fund, established by the Social Security Act.

The transactions in the special issues during the year are summarized in the following table:

Issues and redemptions of special issues, fiscal year 1938

[On basis of daily Treasury statements (unrevised), see p. 351]

Special issues	Issues	Redemptions
Treasury notes:		
Old-age reserve account	$395,200,000	
Railroad retirement account	81,200,000	$15,000,000
Civil service retirement fund	151,600,000	72,100,000
Foreign service retirement fund	731,000	514,000
Canal Zone retirement fund	609,000	251,000
Alaska Railroad retirement fund	275,000	
Postal Savings System series	25,000,000	10,000,000
Federal Deposit Insurance Corporation	25,000,000	35,000,000
Government life insurance fund	23,000,000	
Total	702,615,000	132,865,000
Certificates of indebtedness:		
Adjusted service certificate fund	32,000,000	43,800,000
Unemployment trust fund	1,423,870,000	864,165,000
Total	1,455,870,000	907,965,000
Grand total	2,158,485,000	1,040,830,000

The amount of each class of special issues outstanding on June 30, 1938, is shown in the statement on the public debt, appearing on page 472.

Adjusted service bonds

Adjusted service bonds amounting to $12,800,000 were issued during the year, making a total of $1,822,100,000 of such bonds issued since June 15, 1936. Redemptions of $82,600,000 of these bonds during the year brought the total redemptions since June 15, 1936, to $1,503,400,000, leaving $318,700,000 outstanding on June 30, 1938.

Cumulative sinking fund

Credits accruing to the cumulative sinking fund during the fiscal year 1938 amounted to $577,609,381, which with the unexpended balance of $618,916,809 brought forward from the previous year made $1,196,526,190 available for the year. Only $65,232,400 of

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

this amount was applied to the redemption of the public debt—$83,000 for the retirement of Treasury bonds at par and $65,149,400 for the redemption of Treasury notes maturing during the year and presented for cash redemption. To have exhausted all available credits would have required a corresponding increase in cash offerings without any net change in the public debt. The unexpended balance of $1,131,293,790 was carried forward to the fiscal year 1939.

Tables presenting the transactions on account of the fund for 1938 and since its inception on July 1, 1920, will be found on pages 516 and 517 of this report.

Amendment to the Second Liberty Bond Act

The public debt operations are carried on under the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended. Under that act the total amount of bonds that could be outstanding at any one time was limited to $25,000,000,000 and the amount of Treasury notes, certificates of indebtedness, and Treasury bills was limited to $20,000,000,000, an aggregate of $45,000,000,000 for all obligations. The act approved May 26, 1938 (see exhibit 13, p. 254), combined under one limitation of $45,000,000,000 the amount of bonds, notes, certificates of indebtedness, and Treasury bills which may be outstanding at any one time, and at the same time provided that the amount of bonds outstanding should not exceed $30,000,000,000.

GENERAL FUND

The General Fund includes all moneys of the Government deposited with and held by the Treasurer of the United States including the moneys covered into the Treasury which can be withdrawn only in pursuance of an appropriation by Congress. Every receipt of the Treasury, from whatever source, and every expenditure, of whatever nature, affect either the assets or liabilities, or both, of the General Fund shown in the daily statement of the Treasury. The total amount of the assets over and above the total amount of the liabilities represents the balance in the General Fund available to meet Government expenditures.

The assets in the General Fund consist of gold, silver, currency, coin, unclassified collection items, etc., and deposits to the credit of the Treasurer of the United States and other Government officers, in Federal Reserve banks, special depositaries account of sales of Government securities, national and other bank depositaries, foreign depositaries, and the treasury of the Philippine Islands.

The liabilities of the General Fund consist of outstanding Treasurer's checks, deposits of certain Government officers composed of balances to the credit of the Post Office Department, the Board of Trustees,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Postal Savings System, and postmasters, clerks of courts, disbursing officers, etc., and uncollected items, exchanges, etc.

The balance in the General Fund is classified according to increment on gold, seigniorage, and working balance.

The net change in the balance of the General Fund from the beginning to the close of the fiscal year is accounted for as follows:

Analysis of the change in the General Fund balance between June 30, 1937, and June 30, 1938

[On basis of daily Treasury statements (unrevised), see p. 351. For a description of accounts through which Treasury transactions are effected, see p. 352]

Balance, June 30, 1937			$2,553,473,897.31
Add:			
Ordinary receipts:			
General and special funds			6,241,661,226.99
Trust funds, increment on gold, etc.			1,727,031,693.30
Net increase in gross public debt			740,126,583.16
Total funds available			11,262,293,400.76
Deduct:			
Expenditures chargeable against ordinary receipts:			
General and special accounts	$7,766,374,277.27		
Less public debt retirements	65,464,950.00		
		$7,700,909,327.27	
Trust funds, inerement on gold, etc.	1,396,944,899.99		
Less national bank note retirements	51,478,739.50		
		1,345,466,160.49	
Total expenditures (excluding retirements of public debt and national bank notes)			9,046,375,487.76
Balance, June 30, 1938			2,215,917,913.00

A comparative analysis of the assets and liabilities and the balance of the General Fund is shown below for the beginning and close of the fiscal year. Similar information is presented in greater detail, on the basis of daily Treasury statements (revised), in the table on page 524 of this report.

Current cash assets and liabilities of the Treasury, June 30, 1937 and 1938, and changes during the year

[On basis of daily Treasury statements (unrevised), see p. 351]

	June 30, 1937	June 30, 1938	Increase or decrease (—)
GOLD			
Assets: Gold	$12,318,172,420.10	$12,962,923,999.12	$644,751,579.02
Liabilities:			
Gold certificates outstanding (outside of Treasury)	2,903,632,809.00	2,894,024,749.00	—9,608,060.00
Gold certificate fund, Board of Governors, Federal Reserve System	6,020,442,436.78	7,820,450,860.38	1,800,008,423.60
Redemption fund, Federal Reserve notes	10,470,461.75	9,387,519.82	—1,082,941.93
Gold reserve [1]	156,039,430.93	156,039,430.93	
Exchange stabilization fund	1,800,000,000.00	1,800,000,000.00	
Total	10,890,585,138.46	12,679,902,560.13	1,789,317,421.67
Gold in General Fund	1,427,587,281.64	283,021,438.99	—1,144,565,842.65
SILVER			
Assets:			
Silver	835,195,892.46	1,037,163,305.33	201,967,412.87
Silver dollars	505,602,800.00	503,647,170.00	—1,955,630.00
Total	1,340,798,692.46	1,540,810,475.33	200,011,782.87

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Current cash assets and liabilities of the Treasury, June 30, 1937 and 1938, and changes during the year—Continued

	June 30, 1937	June 30, 1938	Increase or decrease (−)
SILVER—continued			
Liabilities:			
Silver certificates outstanding (outside of Treasury)	$1,305,281,987.00	$1,508,062,253.00	$202,780,266.00
Treasury notes of 1890 outstanding (outside of Treasury)	1,172,022.00	1,169,422.00	−2,600.00
Total	1,306,454,009.00	1,509,231,675.00	202,777,666.00
Silver in General Fund	34,344,683.46	31,578,800.33	−2,765,883.13
GENERAL FUND			
Assets:			
In Treasury offices:			
Gold (as above)	1,427,587,281.64	283,021,438.99	−1,144,565,842.65
Silver (as above)	34,344,683.46	31,578,800.33	−2,765,883.13
Other coin, currency, and bullion	401,320,149.97	512,772,809.31	111,452,659.34
In depositary banks, reserve banks, and treasury of Philippine Islands	843,380,462.81	1,588,811,741.36	745,431,278.55
Unclassified, collections, etc	2,661,573.73	2,832,940.23	171,366.50
Total	2,709,294,151.61	2,419,017,730.22	−290,276,421.39
Liabilities	155,820,254.30	203,099,817.22	47,279,562.92
Balance in the General Fund	2,553,473,897.31	2,215,917,913.00	−337,555,984.31
Inactive gold	1,086,787,223.10	(2)	−1,086,787,223.10
Balance of increment resulting from reduction in weight of the gold dollar	140,965,030.63	141,900,194.61	935,163.98
Seigniorage [3]	355,687,781.26	446,038,793.66	90,351,012.40
Working balance	970,033,862.32	1,627,978,924.73	657,945,062.41
Balance in the General Fund	2,553,473,897.31	2,215,917,913.00	−337,555,984.31

[1] Reserve against $346,681,016 of United States notes outstanding in 1937 and 1938 and $1,172,022 of Treasury notes of 1890 outstanding in 1937 and $1,169,422 outstanding in 1938. Treasury notes of 1890 are also secured by silver dollars in the Treasury.

[2] Inactive gold account discontinued Apr. 14, 1938, see p. 21.

[3] This item represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated Aug. 9, 1934.

SECURITIES OWNED BY THE UNITED STATES AND PROPRIETARY INTEREST IN GOVERNMENTAL CORPORATIONS AND CREDIT AGENCIES

Securities owned

The United States owns various securities representing foreign obligations, capital stock, bonds, etc., of governmental corporations and agencies, and indebtedness to the Government by railroads, farmers, ship owners, and others. As of June 30, 1938, the face value of these securities amounted to $15,566,304,543.85, a net decrease of $2,039,718,151.72 from June 30, 1937.

This decrease was chiefly the result of adjustments in the amount of notes of the Reconstruction Finance Corporation held by the Treasury, made in accordance with the provisions of the act of February 24, 1938, which authorized the Secretary of the Treasury to cancel obligations of that Corporation incurred in supplying funds for relief at the authorization or direction of Congress, and for other purposes. A copy of this act appears as exhibit 61 on page 331 of this report. Up

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

to June 30, 1938, notes of the Reconstruction Finance Corporation held by the Treasury were canceled in the amount of $2,691,307,833.72, representing expenditures previously made by the Corporation for the following purposes:

	Amount
Secretary of the Treasury:	
For capital of home loan banks (sec. 2 of Reconstruction Finance Corporation Act)	$124,741,000.00
For capital of Home Owners' Loan Corporation (sec. 4 of Home Owners' Loan Act of 1933)	200,000,000.00
Land Bank Commissioner:	
For loans to joint stock land banks (sec. 30 (a) of Emergency Farm Mortgage Act of 1933)	2,600,000.00
For loans to farmers (sec. 32 of Emergency Farm Mortgage Act of 1933; sec. 3 of Federal Farm Mortgage Corporation Act)	145,000,000.00
Federal Farm Mortgage Corporation—capital (sec. 3 of Federal Farm Mortgage Corporation Act)	55,000,000.00
Federal Housing Administrator (sec. 4 of National Housing Act)	61,521,074.55
Governor of the Farm Credit Administration (sec. 5 of Farm Credit Act of 1933)	40,500,000.00
Secretary of Agriculture (for crop loans) (sec. 2 of Reconstruction Finance Corporation Act; act approved Feb. 4 1933)	115,000,000.00
Stock of Commodity Credit Corporation (act approved Apr. 10, 1936)	97,000,000.00
Stock of regional agricultural credit corporations (sec. 201 (e) of Emergency Relief and Construction Act of 1932; sec. 84 of Farm Credit Act of 1933; sec. 33 of Farm Credit Act of 1937)	7,500,000.00
Stock of Disaster Loan Corporation (act approved Feb. 11, 1937)	10,000,000.00
Expenses of regional agricultural credit corporations (sec. 201 (e) of Emergency Relief and Construction Act of 1932; sec. 33 of Farm Credit Act of 1937)	16,317,952.69
Relief:	
1932:	
Governors of States	280,025,143.70
Municipalities, counties, etc. (sec. 1 (a)-(d) of Emergency Relief and Construction Act of 1932; sec. 1 (e) of Emergency Relief and Construction Act of 1932 and any amendatory or supplementary legislation)	2,800,623.00
1933 (Federal Emergency Relief Act of 1933)	499,997,748.11
1934 (first paragraph of title II of Emergency Appropriation Act, fiscal year 1935)	500,000,000.00
1935 (Emergency Relief Appropriation Act of 1935)	500,000,000.00
Expense of 1932 relief advances	126,871.85
Net interest paid on above	33,177,419.82
Total	2,691,307,833.72

The evidences of indebtedness and capital stock of various agencies acquired by the Reconstruction Finance Corporation in connection with the above disbursements were transferred to the Secretary of the Treasury as required by section 1 (b) of the act of February 24, 1938.

A statement of "Securities owned by the United States Government" is published in conjunction with the monthly Statement of the Public Debt of the United States. A summary statement of these securities as of June 30, 1937 and 1938, will be found on page 71, and a detailed statement as of June 30, 1938, on page 527 of this report.

Proprietary interest in governmental corporations and credit agencies

The statement of securities owned by the United States is based upon the face or par amount of the securities held by the United States. In some instances, however, the funds represented by these securities have been spent by the respective agencies pursuant to congressional authorization, and in other cases the funds received from the Treasury have been augmented by earnings from operations or interest on investments, etc.

In order to reflect the amount of the Government's interest in governmental corporations and credit agencies, the Treasury com-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

piles a "Combined statement of assets and liabilities of governmental corporations and credit agencies of the United States," which is published in the daily Treasury statement at the end of each month. This statement shows the amount and classification of the assets and liabilities of the various agencies, the privately owned proprietary interest in such agencies, and the proprietary interest of the United States. The statement as of June 30, 1938, appears on page 530, and a summary table of the Government's proprietary interest in such agencies as of June 30, 1929 to 1938, inclusive, is contained on page 536.

SECURITIES GUARANTEED BY THE UNITED STATES

Certain governmental corporations and agencies are authorized to issue bonds and other obligations which are guaranteed as to the payment of principal and interest by the United States. These bonds and obligations are classified as contingent liabilities of the United States. They are primarily the obligations of the issuing agencies, and the assets of such agencies are to be used for their payment.

During the year additional legislation was enacted authorizing the United States Housing Authority (September 1, 1937), the housing insurance fund through the Federal Housing Administrator (February 3, 1938), the Commodity Credit Corporation (March 8, 1938), and the Federal ship mortgage insurance fund through the chairman of the United States Maritime Commission (June 23, 1938) to issue obligations guaranteed as to principal and interest by the United States, and amending the authorization for the issuance of guaranteed obligations of the mutual mortgage insurance fund by the Federal Housing Administrator (February 3, 1938). The pertinent provisions of such legislation will be found as exhibits 19 to 22, on pages 257 to 261 of this report.

The Treasury has made available to the governmental corporations and credit agencies, authorized to issue obligations guaranteed as to principal and interest by the United States, all of its facilities for the issuance, redemption, etc., of public debt obligations of the United States, so that such corporations and agencies desiring to do so can arrange to have their obligations issued, redeemed, etc., through Treasury facilities. As a result of this policy, the Secretary of the Treasury, on April 25, 1938, on behalf of the Commodity Credit Corporation invited subscriptions for $200,000,000, or thereabouts, of ¾ percent notes of series C of the Corporation. Copies of the offering circular and the announcement of subscriptions and allotments are attached as exhibits 23 and 24 on pages 261 and 263.

The Government's contingent liability on this class of obligations increased from $4,694,588,883.48 on June 30, 1937, to $4,878,133,006.88 on June 30, 1938. A summary statement of these obligations and

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

certain other contingent liabilities of the United States as of June 30, 1937 and 1938, appears on page 72, and a detailed statement of the contingent liabilities as of June 30, 1938, will be found on page 520.

MONETARY DEVELOPMENTS

On July 9, 1937, a joint statement was made to the press by the Secretary of the Treasury and the Minister of Finance of China announcing further progress in monetary cooperation between the two countries. It was stated in part that arrangements had been made through which the Government of China would purchase from the United States Treasury a substantial amount of gold; that to aid the Chinese Government to augment its gold reserves, and in accordance with the terms of the United States Silver Purchase Act of 1934, the United States Treasury would purchase an additional amount of silver from the Chinese Government; and that the United States Treasury would also broaden the scope of the arrangements under which the Central Bank of China had been enabled, under conditions safeguarding the interests of both countries, to obtain dollar exchange for currency stabilization purposes.

The Secretary of the Treasury and the Minister of Finance of Brazil announced on July 16, 1937, an arrangement whereby (1) the United States undertook to sell gold to Brazil at such times and in such amounts as the Brazilian Government might request, up to a total of $60,000,000; and (2) the United States would make dollar exchange available to Brazil under conditions safeguarding the interests of both countries, for the purpose of promoting exchange equilibrium.

In pursuance of the policy announced by the Secretary in a statement on December 22, 1936, of taking appropriate action with respect to net additional acquisitions or releases of gold by the Treasury Department whenever it is deemed advisable and in the public interest to do so, the Secretary of the Treasury in September 1937 released $300,000,000 of gold from the Treasury's inactive account, and established gold certificate credits in like amount in favor of the Federal Reserve banks, thereby increasing the Treasury's cash deposits in Federal Reserve banks. The procedure which had been followed since December 22, 1936, was for the Treasury Department to hold new acquisitions of gold in an inactive gold account, and not to issue gold certificates or gold certificate credits against the gold, which had been the procedure prior to December 22, 1936. On February 14, 1938, the Secretary of the Treasury announced that gold acquired by the mints and assay offices after January 1, 1938, would be included in the inactive gold account only to the extent that such acquisitions in any one quarter exceeded $100,000,000. On April 19, 1938, the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Secretary of the Treasury announced that the inactive gold account had been discontinued.

The Secretary of the Treasury and the Minister of Finance of Mexico announced on December 31, 1937, that they had reached a mutually satisfactory understanding on common problems before the two treasuries; that arrangements had been made looking to the continued stability of the peso-dollar exchange and that arrangements had been made with regard to Mexican silver. On March 27, 1938, the Secretary of the Treasury stated that in view of the decision of the Government of the United States to reexamine certain of its financial and commercial relationships with Mexico, the Treasury would defer continuation of the monthly silver purchase arrangements with Mexico until further notice.

On December 30, 1937, the President issued a proclamation modifying the proclamation of December 21, 1933, as modified. This action extended the period for receipt of newly mined domestic silver and fixed the deduction for seigniorage and services performed by the Government on silver mined during the calendar year 1938 at 50 percent, thus permitting the return to the depositor of approximately 64.64 cents per troy ounce.

On April 28, 1938, the President issued a proclamation revoking, except as provided therein, the proclamation of August 9, 1934, relating to silver. On the same date the President revoked the Executive orders of August 9, 1934, and November 2, 1934, relating to silver. The Secretary of the Treasury announced on the same day that the orders of the Secretary of the Treasury of June 28, 1934, and May 20, 1935, and the Silver Regulations of August 17, 1934, as amended, were revoked. The revoked proclamation and Executive orders required the delivery to, and directed the receipt by, the United States mints of silver situated in the United States on August 9, 1934. The revocation of the orders of the Secretary of the Treasury eliminated the restrictions imposed by such orders upon the importation and exportation of silver. The revoked regulations were issued under, and implemented, the revoked proclamation and orders and prescribed the required reports and records relative to silver holdings and transactions.

The statements, proclamations, Executive order, etc., referred to, appear as exhibits 25 to 36 on pages 263 to 268.

EMERGENCY LEGISLATION

During the fiscal year 1938, further appropriations and allocations of funds were made for the purpose of continuing the Federal program to furnish relief and to aid recovery.

The United States Housing Authority was created in the Department of the Interior by an act approved September 1, 1937, with a

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

capital stock of $1,000,000 to be paid in by the Secretary of the Treasury. The act and its subsequent amendments provided for the issue of $800,000,000 of obligations of the Authority guaranteed by the United States and permitted the Authority to make loans to public housing agencies to assist in the development of low-rent housing and slum-clearance projects, to aid such agencies by annual contributions not exceeding $28,000,000 annually, or as an alternative to such contributions to make capital grants not exceeding $10,000,000 prior to July 1, 1938, with limitations as to succeeding years.

The Disaster Loan Corporation Act was amended by the act approved March 3, 1938, to permit the Corporation to make loans on account of floods or other catastrophes occurring in the years 1936 and 1938, as well as those occurring in 1937.

The Federal Crop Insurance Corporation, with an authorized capital stock of $100,000,000 to be subscribed by the United States, was created by title V of the Agricultural Adjustment Act of 1938, approved February 16, 1938. None of the capital stock authorized was to be made available during the fiscal year 1938.

By the act approved April 13, 1938, the Reconstruction Finance Corporation was authorized to make loans to public bodies to aid in financing projects authorized by law, the loans to be made through the purchase of securities or otherwise. The authority so granted terminates on June 30, 1939, or on an earlier date if the President so determines.

The act of February 24, 1938, directed the Secretary of the Treasury to cancel notes of the Reconstruction Finance Corporation in a principal amount equal to the outstanding funds of the Corporation then or thereafter disbursed under certain conditions (grants under relief acts and for other purposes for which no provision had been made for repayment to the Corporation), together with certain expenses incurred by the Corporation and certain interest payments. The act further provided for a corresponding reduction in the amount of obligations the Corporation was authorized to have outstanding at any one time. During the year the Secretary of the Treasury, under the authority of this act, canceled approximately $2,691,000,000 of the obligations purchased from the Reconstruction Finance Corporation, details of which will be found on page 19. On June 30, 1938, the amount of capital stock and obligations that the Reconstruction Finance Corporation was authorized to have outstanding at any one time was $3,358,700,000, exclusive of certain indefinite authorizations for which there is no statutory limitation. As of that date, the Reconstruction Finance Corporation had notes outstanding aggregating $1,162,565,000, of which $863,692,000 were held by the Treasury. This figure does not include the original $500,000,000 of the Corporation's capital stock purchased by the Treasury.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Under an act of Congress approved March 8, 1938, provision was made to maintain unimpaired the capital of the Commodity Credit Corporation at $100,000,000, by providing that the Secretary of the Treasury shall make appraisals of the assets and liabilities of the Corporation as of March 31 in each year, the value of the assets to be determined in so far as possible on the basis of market prices at the time of appraisal. The act also authorized annual appropriations for contributions to the Corporation to restore any capital impairment. In the event an appraisal establishes the net worth of the Corporation to be in excess of $100,000,000, such excess is to be deposited in the Treasury as a miscellaneous receipt and used to retire an equivalent amount of the public debt. A copy of the act of March 8, 1938, appears as exhibit 22 on page 260.

The capital impairment of the Commodity Credit Corporation, as determined by an appraisal as of March 31, 1938, was $94,285,404.73. An appropriation in an equivalent amount was contained in the Second Deficiency Appropriation Act, fiscal year 1938, approved June 25, 1938, and was paid to the Corporation on June 30, 1938. The act of March 8, 1938, also provided that the Corporation could issue and have outstanding $500,000,000 of its obligations guaranteed by the United States.

Under the joint resolution approved March 2, 1938, there was appropriated $250,000,000 which was to be added to, and proportionally increase the specified amounts of the limitations prescribed under, the appropriation made in the Emergency Relief Appropriation Act of 1937 for relief and work relief.

The Emergency Relief Appropriation Act of 1938 (title I of the Work Relief and Public Works Appropriation Act of 1938, approved June 21, 1938) provided direct appropriations for relief and for work relief on useful public projects for the fiscal year 1939. An appropriation of $1,425,000,000 was made to the Works Progress Administration, together with balances of allocations to the Works Progress Administration under the Emergency Relief Appropriation Act of 1937 and the joint resolution of March 2, 1938, which remained unobligated on June 30, 1938. These funds were available for the following types of projects in the amounts indicated:

Highways, roads, and streets	$484,500,000
Public buildings, parks and other recreational facilities, public utilities, rural electric transmission and distribution systems, transportation facilities, flood control, conservation, etc.	655,500,000
Educational, professional, clerical, recreational, and miscellaneous nonconstruction projects	285,000,000
Total	1,425,000,000

The amount specified for any of the foregoing classes may be increased by not to exceed 15 percent by transfer of amounts from other classes. The Works Progress Administrator was authorized to use in the discretion of the President an amount not in excess of $25,000,000 for the purpose of providing direct relief for needy persons.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Title I also provided the following direct appropriations, together with certain unexpended balances:

Works Progress Administration for the National Youth Administration	$75,000,000
Secretary of Agriculture	175,000,000
Department of Interior, Puerto Rico Reconstruction Administration	6,000,000
United States Employees' Compensation Commission	3,500,000
Other agencies for administrative expenses	28,405,000
Total	287,905,000

The Public Works Administration Appropriation Act of 1938 (title II of the act approved June 21, 1938) continued the Federal Emergency Administration of Public Works until June 30, 1941, and provided an appropriation of $965,000,000 to be made available to such Administration for projects, the completion of which can be substantially accomplished prior to June 30, 1940.

The table on page 462 summarizes all funds appropriated and allocated for recovery and relief, expenditures therefrom, and unexpended balances on June 30, 1938. As shown in the table, only $15,038,000 of the $8,656,000,000 appropriated or made available under the Emergency Relief Appropriation Acts of 1935, 1936, and 1937 remained unallocated on June 30, 1938. A subsidiary table shows the details of revolving funds from previous loans and payments for current loans made by Federal lending agencies.

REVENUE LEGISLATION

Revenue legislation enacted during the fiscal year 1938 included the Revenue Acts of 1937 and 1938; the imposition of a floor stock tax on distilled spirits, except brandy, to compensate for the increased tax on such distilled spirits under section 710 of the Revenue Act of 1938; the Sugar Act of 1937; the Railroad Unemployment Insurance Act; an amendment to the stamp provisions of the Bottling in Bond Act; the Marihuana Tax Act of 1937; the exemption of persons traveling between Puerto Rico and the continental United States from payment of a stamp tax on steamship tickets; an amendment to section 3336 of the Revised Statutes, as amended, pertaining to brewers' bonds; the removal of certain restrictions relative to the production of wines, brandy, and fruit spirits; an amendment to the Bankruptcy Act of 1898 providing for the exemption of the issuance and transfer of certain securities from stamp tax and also for the nonrecognition of income arising from the cancelation of indebtedness; and an amendment to the National Firearms Act.

The more important tax rate changes made by the Revenue Acts of 1937 and 1938 and the rates which they supersede, together with legal citations and effective dates, are shown in exhibit 44, page 280.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Revenue Act of 1937

The Revenue Act of 1937, approved August 26, 1937, provides for the following major changes in income taxation:

Domestic and foreign personal holding companies.—With respect to domestic personal holding companies, the rates imposed are 65 percent on the first $2,000 of undistributed adjusted net income plus 75 percent on the amount thereof in excess of $2,000. These rates supersede the rates under the Revenue Act of 1936 which were graduated from 8 percent on the first $2,000 of undistributed adjusted net income to 48 percent on the amount thereof in excess of $1,000,000.

Important changes are also effected in the definition of personal holding companies and personal holding company income. Under the Revenue Act of 1937 the definition of a personal holding company is broadened (*a*) by providing that if in any taxable year 80 percent or more of the total gross income is personal holding company income the minimum percentage for each subsequent taxable year shall be 70 percent instead of 80 percent until (1) a taxable year during the whole of the last half of which the corporation does not meet the stock ownership requirement (namely, that more than 50 percent in the value of its outstanding stock is owned directly or indirectly by or for not more than five individuals), or (2) for each of three consecutive taxable years less than 70 percent of the gross income is personal holding company income; and (*b*) by providing that the concept of constructive ownership is to include (1) in the case of an individual, stock owned by or for his partner, and (2) stock on which a person has an option or an option to acquire such an option.

In addition to the items included in the definition under the 1936 act, the definition of personal holding company income is changed to include (*a*) gains from futures transactions in commodities on or subject to the rules of boards of trade and exchanges (except gains on bona fide hedging transactions), (*b*) income from estates or trusts, (*c*) certain amounts received under contracts for personal service, (*d*) certain amounts received for the use of corporation property, (*e*) rents constituting less than 50 percent of the gross income; and to exclude certain mineral, oil, and gas royalties.

In the determination of undistributed adjusted net income of personal holding companies, certain deductions formerly allowed are disallowed in whole or in part under the Revenue Act of 1937. The deductions so disallowed are: (*a*) Unlimited deduction for losses from sale or exchanges of capital assets, (*b*) 20 percent of the excess of the adjusted net income over the amount of dividends received from other personal holding companies, (*c*) unlimited deduction for charitable contributions, (*d*) surtaxes paid within the taxable year under section 102 relating to corporations improperly accumulating surplus, and

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(e) expenses and depreciation allocable to the operation and maintenance of property owned or operated by the corporation in excess of the rent or other compensation received for the use or right to use the property, unless (1) the rent or other compensation is the highest obtainable, (2) the property is used in business, and (3) there is reasonable expectation that the use of the property would result in a profit.

No distinction for tax purposes was made under the 1936 act between foreign and domestic personal holding companies. The 1937 act, however, distinguishes foreign from domestic personal holding companies. A foreign personal holding company is defined as a foreign corporation receiving at least 60 percent of its gross income for the taxable year (and at least 50 percent for each subsequent taxable year) from the sources specified for the domestic personal holding company, if more than 50 percent in value of its outstanding stock is owned at any time during the taxable year, directly or indirectly, by or for not more than five individuals who are citizens or residents of the United States, and until a taxable year during the whole of which the above stock ownership requirement is not met or until the expiration of three consecutive taxable years in each of which less than 50 percent of the gross income is foreign personal holding company income.

Under the Revenue Act of 1937 each United States shareholder is required to include in his gross income for the taxable year in which the taxable year of the company ends, as a dividend, his pro rata share in the undistributed net income (as defined in Supplement P of the act) of a foreign personal holding company.

Nonresident aliens.—Section 211 of the Revenue Act of 1936 imposed a 10 percent flat withholding rate upon the amount received, by nonresident alien individuals not engaged in trade or business within the United States and not having an office or place of business therein, from sources within the United States as interest (except interest on deposits with persons carrying on the banking business), dividends, rents, salaries, and other annual or periodical sources of income. The Revenue Act of 1937 amended this section so that if the aggregate amount received from such sources exceeds $21,600 the regular normal and surtax rates apply to the net income derived from such sources, but in no case is the tax to be less than 10 percent of the gross income from such sources. This change does not apply in the case of a resident of a contiguous country so long as there is in effect a treaty with such country (ratified prior to the enactment of the Revenue Act of 1937) which provides a lower rate than the 10 percent rate of tax provided under the Revenue Act of 1936.

Trusts.—The $1,000 personal exemption for trusts is disallowed if the trust instrument requires or permits the accumulation of any

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

portion of the income of the trust and there is not distributed an amount equal to the net income less that portion of the income which, under the law of the jurisdiction under which the trust is administered, cannot be considered as income and is not distributable. Every such fiduciary is required to file a taxable return.

The changes made by the Revenue Act of 1937 are effective for the taxable years beginning after December 31, 1936, except with respect to the provisions relating to the foreign personal holding companies which became effective for taxable years ending after August 26, 1937. In view, however, of the enactment of the Revenue Act of 1938, the changes made by the Revenue Act of 1937 are not applicable to taxable years beginning after December 31, 1937, except where such changes have been reenacted in the Revenue Act of 1938.

Revenue Act of 1938

The Revenue Act of 1938, which became law on May 28, 1938, without the President's approval, makes important changes in the corporation income tax and in the treatment of capital gains and losses. Also it increases the tax on distilled spirits; repeals certain excise taxes; imposes an excise tax on certain types of tractors; reduces the tax on imports of certain seeds; provides for a new inventory method in the case of certain industries; provides for a new declaration of the value of capital stock every three years; extends the time from January 1 to July 1, 1938, for liquidation of foreign personal holding companies without penalty, and facilitates the liquidation of certain domestic companies; reduces the annual gift tax exemption; amends the provision relating to personal exemptions of trusts; broadens the exemption from Federal taxes allowable to certain insolvent banks; reduces the tax on admissions to any spoken play sold at theaters at reduced rates; removes the limitation on the Commissioner's power to enter into closing agreements; and mitigates the effect of the statute of limitations.

Corporation income tax.—Under the Revenue Act of 1936 corporations (excepting specified classes) were subject to a normal tax graduated from 8 percent to 15 percent and a surtax on undistributed profits graduated from 7 percent to 27 percent. The provisions of the Revenue Act of 1938 relating to taxes on corporations are applicable only for taxable years beginning after December 31, 1937, and before January 1, 1940. The act retains the principle of the undistributed profits tax for corporations with net incomes of more than $25,000. A tentative tax of 19 percent on the adjusted net income is imposed on such corporations. This tentative tax is reduced by the sum of (*a*) 16½ percent of the credit for dividends received and (*b*) 2½ percent of the dividends paid credit, but not to exceed 2½ percent of the ad-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

justed net income. Corporations with net incomes of $25,000 or less are taxed at rates graduated from 12½ percent of the "special class net income" (adjusted net income minus credit for dividends received) not in excess of $5,000 to 16 percent of the amount thereof in excess of $20,000. To bring about a proper transition between the tax on corporations with net incomes of $25,000 and less and those with net incomes of more than $25,000 an alternative tax is provided in section 13 (d), applicable to corporations with net incomes of slightly more than $25,000.

The dividends paid credit, allowable to corporations with net incomes of more than $25,000, includes: (1) the basic surtax credit comprising (*a*) the dividends paid out during the taxable year increased by the consent dividends credit (for amounts undistributed by the corporation to its shareholders but which the shareholders have consented to include in their income) and reduced by interest received on certain obligations of the United States and (*b*) a carry-forward (for taxable years beginning after December 31, 1938) of net operating loss of the preceding taxable year, but not in excess of the adjusted net income for the taxable year; (2) a 2-year dividend carry-over limited to the excess of the basic surtax credit over the adjusted net income; (3) amounts used or irrevocably set aside to retire certain indebtedness, provided such indebtedness existed at the close of business on December 31, 1937; and (4) the excess of any deficit in the accumulated earnings and profits as of the close of the preceding taxable year over the credit for net operating losses.

The 1938 act increases the flat rate of tax from 15 percent to 16½ percent applicable to the following corporations: Banks, insurance companies, China Trade Act corporations, and domestic corporations deriving a large portion of their gross income from sources within a possession of the United States (sec. 251); decreases the rate on resident foreign corporations; imposes a flat 16½ percent rate on mutual investment companies in lieu of the graduated normal tax and graduated surtax on undistributed profits (the 16½ percent rate applies to "Supplement Q net income" defined as adjusted net income minus, with certain exceptions, the basic surtax credit; in this respect it is similar to the normal tax under the 1936 act which applied to net income after deducting dividends paid); and in the case of corporations improperly accumulating surplus, imposes rates of 25 percent of the undistributed net income not in excess of $100,000 plus 35 percent on the amount thereof in excess of $100,000.

Capital gains and losses.—Under the Revenue Act of 1936 only certain percentages of the recognized capital gains and losses of individuals, varying according to the period for which assets were held, were taken into account for tax purposes. (See exhibit 44, p. 280.) Net gains thus taken into account were included in net income

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

and taxed at the regular normal tax and surtax rates. The capital loss deduction was limited to $2,000 plus capital gains. The Revenue Act of 1938 divides capital gains and losses into short-term capital gains and losses and long-term capital gains and losses. Short-term capital gains and losses are those realized from the sale or exchange of capital assets held 18 months or less. Long-term capital gains and losses are those realized from the sale or exchange of capital assets held for over 18 months. The percentages of gain or loss taken into account in computing net income are: 100 percent if the capital assets were held 18 months or less; 66⅔ percent if held for over 18 months, but not over 24 months; and 50 percent if held for over 24 months.

After the computation of the amount of gain or loss to be taken into account according to the above percentages, such gain or loss from sale or exchange of capital assets is treated as follows: (1) If assets are held 18 months or less, gains not offset by allowed losses are included with other income subject to full normal tax and surtax rates. Losses are allowed only to the extent of gains on such transactions, but losses disallowed in 1 year (to an amount not exceeding net income) may be carried forward and applied against gains from such transactions in the succeeding taxable year; and (2) if assets are held more than 18 months, net gains are included with other income subject to normal tax and surtax rates or are segregated and taxed at 30 percent, whichever method results in lesser total tax. Net losses are deducted from other net income or 30 percent of such losses is credited against the tax computed on net income before deducting the net loss, whichever method gives the greater tax.

The Revenue Act of 1938 makes a significant change in the definition of "capital assets" by excluding therefrom depreciable property used in a trade or business. Further, losses from securities that become worthless during the taxable year are generally treated in the same way as other losses from sale or exchange of capital assets instead of being fully deductible as was the situation under previous law.

The capital gain and loss provisions of the Revenue Act of 1938 are effective for taxable years beginning after December 31, 1937.

Other changes.—Other changes made by the Revenue Act of 1938 include: (1) An increase in the tax on distilled spirits, except brandy. In order to compensate for this increased tax there is imposed by Public Resolution No. 114, approved June 16, 1938, an equivalent floor tax of 25 cents on each proof gallon and a proportionate tax on all fractional parts of such proof gallon upon all distilled spirits, except brandy, upon which the internal revenue taxes have been paid and which on July 1, 1938, were held by a retail dealer in liquors in a quantity in excess of 250 wine gallons or by any other person,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

corporation, partnership, or association, in any quantity and which were intended for sale for beverage purposes or for use in the production of any article intended for sale for beverage purposes. (A copy of Public Resolution No. 114 is shown as exhibit 40, on p. 272.) (2) The repeal of the excise taxes on certain toilet preparations, furs, phonograph records, sporting goods, cameras, chewing gum, the production and refining of crude petroleum, brewer's wort, malt sirup, sales of produce for future delivery, and matches except fancy wooden matches; the imposition of a tax on certain tractors used in combination with a trailer or semitrailer; and the reduction of the tax on imports of hempseed, perilla seed, and sesame seed. (3) Provision for a new inventory method for income tax purposes in the case of certain industries with respect to certain raw materials. A taxpayer whose principal business is producing or processing certain nonferrous metals, or tanning hides or skins may elect in taking his inventory as of the close of any taxable year beginning after December 31, 1938, to account such raw materials on the basis of the last-in-first-out method instead of the first-in-first-out method as hitherto prescribed. (4) Provision in connection with the capital stock tax for a new declaration of the value of capital stock for the year ended June 30, 1938, and each third year thereafter. (5) Under the Revenue Act of 1937, irrespective of the length of time the assets were held, 100 percent of the capital gain recognized from distributions in liquidation of a foreign personal holding company was taken into account in computing net income, unless such liquidation was completed before January 1, 1938. The Revenue Act of 1938 extends the benefit of treatment as to long-term capital gains to such liquidations if completed before July 1, 1938. Further, provision is made for the nonrecognition of gain or loss in the case of the disposition of property upon certain exchanges and the receipt of property upon certain distributions ordered by the Securities and Exchange Commission in furtherance of the policies of section 11 of the Public Utility Holding Company Act of 1935. (6) The reduction of the annual gift tax exemption of $5,000 to $4,000 and the exclusion from such exemption of gifts in trust. (7) In the case of trusts, provision for a credit of $100 against net income in lieu of the personal exemption of $1,000. (8) The amendment of section 22 of the act of March 1, 1879 (20 Stat. 351; U. S. C., title 12, sec. 570), broadening the exemption from Federal taxes allowable in the case of certain insolvent banks. (9) In the case of admissions to any spoken play sold at the ticket office of theaters at reduced rates, the tax is based upon the price for which the admission is sold in lieu of upon the regular selling price of such admission. (10) Removal of the limitation on the power of the Commissioner of Internal Revenue to enter into closing agreements. Formerly the Commissioner could enter into such agreements only if the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

taxable period to which the agreement related had already terminated. (11) The mitigation of the effect of the statute of limitations in certain cases, such as those in which a determination under the income tax laws requires the inclusion in gross income or allows the deduction from gross income in one taxable year of an item which was erroneously included or deducted in another taxable year.

Sugar Act of 1937

The Sugar Act of 1937, approved September 1, 1937, imposes upon manufactured sugar manufactured in the United States after passage of the act an excise tax, effective September 1, 1937, to be paid by the manufacturer at the following rates: (1) On all manufactured sugar testing by the polariscope ninety-two sugar degrees, 0.465 cent per pound, and for each additional sugar degree shown by such test, 0.00875 cent per pound additional, and fractions of a degree in proportion; (2) on all manufactured sugar testing by the polariscope less than ninety-two sugar degrees, 0.5144 cent per pound of the total sugars therein. The act also imposes, in addition to any other tax or duty imposed by law, under such regulations as the Commissioner of Customs shall prescribe, with the approval of the Secretary of the Treasury, an import compensating tax as follows: (*a*) On all manufactured sugar a tax equivalent to the excise tax on domestic manufactured sugar; (*b*) on all articles composed in chief value of manufactured sugar, 0.5144 cent per pound of the total sugars therein. Such tax is to be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930.

A copy of pertinent portions of the Sugar Act of 1937 (Public No. 414) is shown as exhibit 42, on page 273.

Railroad Unemployment Insurance Act

The Railroad Unemployment Insurance Act, approved June 25, 1938, provides that effective July 1, 1939, railroad carriers and certain related and controlled companies shall not be subject to the employer's tax under title IX of the Social Security Act. In lieu of these taxes it provides that every employer, with respect to having employees in his service, shall pay a contribution equal to 3 percent of so much of the compensation as is not in excess of $300 for any calendar month, payable by him to any employee with respect to employment after June 30, 1939. Each employee representative is also required to pay, with respect to his income, a contribution equal to 3 percent of the compensation not in excess of $300 per month. The act provides that the enforcement and collection of the contributions shall be administered by the Railroad Retirement Board and

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

not by the Bureau of Internal Revenue or any other branch of the Treasury Department.

Other revenue legislation

The Marihuana Tax Act of 1937, approved August 2, 1937, imposes certain occupational and transfer taxes with respect to marihuana. The rates of tax are contained in Public No. 238, shown as exhibit 43, on page 275.

Public No. 651, approved June 16, 1938, amends the National Firearms Act. The tax provisions are contained in Public No. 651, shown as exhibit 41, on page 273.

Public No. 400, approved August 28, 1937, exempts persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets.

Public No. 620, approved June 15, 1938, amends section 3336 of the Revised Statutes, as amended, with respect to brewers' bonds. A copy of Public No. 620, is shown as exhibit 38, on page 269.

Public No. 635, approved June 15, 1938, amends certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal revenue taxes thereon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner. A copy of Public No. 635, is shown as exhibit 39, on page 270.

Public No. 198, approved July 9, 1937, amending the stamp provisions of the Bottling in Bond Act, is shown as exhibit 37, on page 269.

Public No. 696, approved June 22, 1938, amends the Bankruptcy Act of 1898 to provide for the exemption of the issuance and transfer of certain securities from Federal and State stamp taxes, and also to provide for the nonrecognition of income arising from the cancelation of indebtedness and for the reduction of the basis of the debtor's property where there has been a cancelation of indebtedness.

ESTIMATES OF RECEIPTS

The Secretary of the Treasury is required each year to prepare and submit in his annual report to Congress estimates of the public revenue for the current fiscal year and for the fiscal year next ensuing (Public No. 129, February 26, 1907). These estimates are now made in December of each year.

Inasmuch as the tax revenue from practically every major source is directly dependent, although in varying degree, upon business conditions during the period in respect of which the taxes are levied, it is necessary to forecast the general business situation for a period end-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ing approximately 18 months later. This forecast is based upon the analysis of a wide variety of financial and other economic data and includes a forecast of the direction and the magnitude of the movements of industrial production, profits, security and commodity prices, employment, payrolls, and other indicators of business activity. In view of the well-recognized uncertainty involved in forecasting the various phases of business activity, such forecasts, and the concomitant estimates of future revenues, may be revised from time to time to take account of changed economic conditions.

Upon these business forecasts depend the estimates of the aggregate amounts of corporation and individual incomes as well as the distribution of such incomes among various income classes, and the volume of consumption and importation of commodities upon which taxes are levied. Consideration has to be given to the fact that changes in the various indicators of business activity are not reflected immediately or in direct proportion in the various sources of revenue. Thus in periods of rising business activity profits and taxable incomes rise more than proportionately to the increase in the volume of business because of the relative inflexibility of certain costs. In addition, consideration is given to the fact that the increase in the amount of income tax collections which will result from a given increase in individual incomes is accentuated under a progressive rate schedule not only because the individual taxpayer's income is more but also because the taxpayer pays a larger percentage of the higher income as income tax.

Changes in business conditions, in the amounts of income, and in the volume of consumption and importation of commodities are reflected more immediately in the receipts from some taxes than from others because of the variation in the method of collection of the taxes. For example, many of the miscellaneous internal revenue taxes are collected each month on the tax liabilities of the previous month. However, collections from taxes such as the estate and gift taxes and the tax under title IX of the Social Security Act are made upon liabilities of a much earlier period and therefore do not rapidly respond to changes in general business conditions.

The lag between the time income is received by taxpayers and the time of receipt of income taxes based upon such incomes is particularly important in its effect upon total tax receipts. Thus, in general, the changes in incomes in the calendar year 1938 will not be reflected in income tax receipts until the income tax returns are filed on or before March 15, 1939. Because of the privilege of making quarterly installment payments of these tax liabilities the collections will be received throughout the calendar year 1939, thus falling into the receipts of fiscal years 1939 and 1940. Hence the estimated current

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

income tax receipts, both corporation and individual, for the fiscal year 1939 are made up partly from payments on calendar year 1937 incomes and partly from payments on calendar year 1938 incomes. Similarly, fiscal year 1940 estimates of income tax receipts include some payments based upon the incomes of each of the calendar years 1938 and 1939.

An explanation of the estimates of receipts from each of the major sources of revenue is presented below. Estimated receipts for the fiscal years 1939 and 1940 and actual receipts for the fiscal year 1938 are presented in summary form in the table on page 36. Detailed receipts and estimates are shown in table 22 on pages 456 to 461.

Legislative enactments affecting revenue estimates

A number of statutory changes affecting the revenues were enacted during the fiscal year 1938. Since these new laws have been summarized in a preceding section of this report, only their effect upon the revenue estimates will be indicated at this point.

Income tax receipts in the fiscal years 1939 and 1940 will be affected by the changes in law enacted by the Revenue Acts of 1937 and 1938. The former act, effective generally beginning with calendar year 1937 incomes, contained a number of important income tax provisions designed to prevent tax evasion and avoidance, which changes exert an upward effect upon the revenues by preventing revenue losses which might otherwise occur. These changes were only partially reflected in the fiscal year 1938 income tax receipts but, so far as reenacted by the Revenue Act of 1938, will be fully reflected in the receipts of the fiscal years 1939 and 1940.

The Revenue Act of 1938, beginning with calendar year 1938 incomes, imposed major changes with respect to corporation tax rates, including the treatment of undistributed profits, and capital gains and losses of individuals. The effect of these statutory changes on income tax liabilities for relatively low income years such as calendar years 1938 and 1939 is decidedly less important in determining the income tax receipts than are the changes in the business situation.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Actual receipts for the fiscal year 1938 and estimated receipts for the fiscal years 1939 and 1940

[In millions of dollars]

General and special accounts	Actual 1938	Estimated 1939	Estimated 1940
1. Internal revenue:			
(1) Income taxes:			
Corporation, current	1,145.6	897.1	776.0
Individual, current	1,189.0	922.0	857.9
Back taxes	251.6	240.0	250.0
Excess-profits tax	36.6	26.9	19.1
Total income taxes (collection basis)	2,622.8	2,086.0	1,903.0
Adjustment to daily Treasury statement basis	+11.8	----------	----------
Total income taxes (daily Treasury statement basis)	2,634.6	2,086.0	1,903.0
(2) Tax on unjust enrichment (daily Treasury statement basis)	5.7	6.5	6.5
(3) Miscellaneous internal revenue:			
Capital stock tax	139.3	127.0	123.4
Estate tax	382.2	321.2	329.2
Gift tax	34.7	26.8	33.0
Alcoholic beverage taxes	567.7	563.0	607.3
Tobacco taxes	567.8	565.6	610.1
Stamp taxes	46.2	52.3	58.6
Manufacturers' excise taxes	416.8	379.3	427.2
Miscellaneous taxes	117.5	137.8	144.6
Total miscellaneous internal revenue (collection basis)	2,272.2	2,173.0	2,333.4
Adjustment to daily Treasury statement basis	+7.3	----------	----------
Total miscellaneous internal revenue (daily Treasury statement basis)	2,279.5	2,173.0	2,333.4
(4) Pay-roll taxes:			
Social Security taxes (Public No. 271, Aug. 14, 1935):			
Taxes with respect to employment (title VIII)	514.3	519.5	597.8
Tax on employers of eight or more (title IX)	90.1	91.0	88.5
Total Social Security taxes	604.4	610.5	686.3
Carriers Taxing Act of 1937	150.1	109.3	123.7
Total pay-roll taxes (daily Treasury statement basis)	754.6	719.8	810.0
Total internal revenue (daily Treasury statement basis)	5,674.3	4,985.3	5,052.9
2. Railroad Unemployment Insurance Act (daily Treasury statement basis)	----------	----------	4.9
3. Customs (daily Treasury statement basis)	359.2	335.0	403.9
4. Miscellaneous revenues and receipts (daily Treasury statement basis)	208.2	199.8	207.6
Total receipts, general and special accounts (daily Treasury statement basis)	6,241.7	5,520.1	5,669.3

NOTE.—Figures are rounded to nearest tenth of a million and will not necessarily add to totals. For complete details, see table 22 on pp. 456 to 461.

Miscellaneous internal revenue receipts in the fiscal years 1939 and 1940 will be affected by a number of legislative enactments of the past year. The revenues will be reduced as a result of the provisions of the Revenue Act of 1938 effecting the outright or partial termination, with respect to sales after June 30, 1938, of the excise taxes on sporting goods, cameras, furs, chewing gum, phonograph records, brew-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

er's wort and malt, crude petroleum, sales of produce for future delivery, matches, and toilet preparations, and by the provision allowing a redeclaration of corporation capital stock values. On the other hand, the revenues will be increased by the higher tax rate on distilled spirits other than brandy and the accompanying floor tax, changes imposed by the Revenue Act of 1938 and by Public Resolution No. 114. A new source of revenue was provided by the Sugar Act of 1937, imposing a tax on the manufacture of sugar, effective September 1, 1937.

The Railroad Unemployment Insurance Act, effective July 1, 1939, will have a negligible influence on the revenues, since the effect of the act is to remove carriers from the coverage of title IX of the Social Security Act and to require them to pay contributions under the comparable provisions of the new act. Other changes made by the Revenue Act of 1938, such as the according of certain additional exemptions from the stamp taxes and from the taxes on electrical energy, communication facilities, and admissions, and the lowering of the annual gift tax exclusion from $5,000 to $4,000, as well as changes effected by the amendments to the Bankruptcy Act and the National Firearms Act, will have a relatively small effect on the revenues.

Fiscal year 1939

Total receipts to general and special accounts in the fiscal year 1939 are estimated at $5,520 millions, a decrease of $722 millions, or 11.6 percent, from receipts of $6,242 millions in the fiscal year 1938. Practically every major source of revenue contributes to this decrease. The decrease in income taxes of $549 millions represents 76 percent of the total decrease while miscellaneous internal revenue shows a decrease of $106 millions, or 15 percent of the total decrease. Smaller decreases appear in the pay-roll taxes, customs receipts, and miscellaneous revenues and receipts. The widespread character of the decline reflects mainly the reduced incomes and the lower levels of business activity during the periods in respect of which the taxes are levied.

Income taxes.—The combined yield of the individual and corporation income taxes, including the excess-profits tax and back taxes, is estimated at $2,086 millions, as compared with the fiscal year 1938 figure of $2,635 millions. It is anticipated that this reduction of $549 millions in income tax receipts will be divided nearly equally between the corporate and the individual sources.

The decrease in income tax receipts is principally a reflection of a decline in taxable incomes. While the fiscal year 1938 re-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ceipts were based upon incomes received during the calendar years 1936 and 1937, the fiscal year 1939 receipts will be based upon incomes received during the calendar years 1937 and 1938, and will show a reduction primarily because taxable incomes in the calendar year 1938 are estimated at a lower level than taxable incomes in the calendar year 1936.

Miscellaneous internal revenue.—Receipts from the capital stock tax are estimated at $127 millions as compared with receipts of $139 millions in the fiscal year 1938. Since receipts from this tax, which is generally payable on July 31, are concentrated largely in the first quarter of the fiscal year, the fiscal year 1939 estimate involves a smaller element of prediction than do most of the other estimates. The Revenue Act of 1938 allowed a new capital stock value declaration as of June 30, 1938. As receipts from the capital stock tax of the past two fiscal years have been dependent on the valuation declared as of June 30, 1936, the indicated decrease of $12 millions is consistent with the decline of corporate income from the calendar year 1936 to the calendar year 1938.

Estate tax receipts in the fiscal year 1939 are expected to decline to $321 millions, a figure between the record total of $382 millions received in the fiscal year 1938 and the previous high of $282 millions received in the fiscal year 1937. The expected lower property valuations of estates whose tax returns will be filed during the fiscal year 1939 as compared with those filed in the fiscal year 1938, the lower tax rates applicable thereto as a result of the graduated rate scale, and a probable drop in back tax collections from last year's exceptionally high figure account for the indicated substantial shrinkage in the estate tax total.

The estimate of receipts from the gift tax in the fiscal year 1939 is $27 millions as compared with $35 millions received in the fiscal year 1938. Practically the entire payment of this tax is received in March on the gifts of the preceding calendar year. The lower business and income levels in the calendar year 1938 appear to have been less favorable to the making of taxable gifts than were those of the calendar year 1937.

Receipts from taxes upon liquor in the fiscal year 1939 are estimated at $563 millions, or somewhat less than the receipts of $568 millions in the fiscal year 1938. Two counter influences, a decrease in consumption incidental to the decline in business activity and an increase in certain of the tax rates, cause contrary movements in anticipated receipts from the individual items in this group. Thus because of restricted consumption with a constant tax rate, the excise tax on beer is expected to yield $9 millions less in the fiscal year 1939 than it yielded in the fiscal year 1938. Domestic distilled spirits, however,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

despite a probable falling off in tax-paid quantity, are expected to provide larger receipts than in the fiscal year 1938 as a result of the advance in the tax rate, effective July 1, 1938, on distilled spirits other than brandy, from $2.00 to $2.25 per proof gallon. This increased rate, though equally applicable to imported distilled spirits, will probably not suffice to offset the estimated reduction of imports.

After six years of uninterrupted advance in receipts from tobacco taxes, to the record high of $568 millions in the fiscal year 1938, a small decrease to $566 millions in the fiscal year 1939 is forecast. Receipts from the tax on small cigarettes, the largest source of revenue in this group, are expected to decline slightly to $492 millions.

As a group, stamp tax receipts in the fiscal year 1939 appear likely to form an exception to the prevailing downward tendency. It is estimated that they will aggregate $52 millions as against $46 millions received in the fiscal year 1938. An anticipated decline of $3 millions due to the repeal of the tax on sales of produce for future delivery is expected to be more than offset by a larger volume of receipts from the tax on stock transfers.

Changes in the law as well as economic factors account for the anticipated decline in receipts from the manufacturers' excise taxes, which in the aggregate are estimated to yield $379 millions in the fiscal year 1939, as against $417 millions in the fiscal year 1938, a decrease of $38 millions. Approximately one-half of the decrease may be ascribed to the termination of certain manufacturers' excise taxes with respect to sales after June 30, 1938, as provided for in the Revenue Act of 1938. The balance of the decrease reflects anticipated lower levels of business activity.

Receipts from miscellaneous taxes are estimated at $138 millions, an increase of $20 millions over the fiscal year 1938 receipts. Expected decreases from most of the taxes in this group are more than offset by the large increase in estimated receipts from the sugar tax. The sugar tax shows an increase of $31 millions over receipts in the fiscal year 1938, since receipts in that year were for less than a 12-month period, the tax not becoming effective until September 1, 1937, and not applying to stocks of direct consumption sugar then on hand. Apart from a small gain in receipts from the bituminous coal tax, all of the other taxes in this group are expected to produce less revenue in fiscal year 1939 than in fiscal year 1938. Though traceable partly to statutory changes, such as termination of the regulatory taxes on petroleum and the liberalization of certain exemptions for communication facilities, admissions, and palm oil, the decreases mainly reflect the influence of a lower level of business activity.

Pay-roll taxes.—As the net result of a large decline in receipts from the carriers tax and only a small rise in receipts from the taxes under

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

the Social Security Act, pay-roll tax receipts in the aggregate are expected to decrease by some $35 millions. Collection arrangements and rate changes continue to affect the year-to-year comparisons of receipts from these taxes. Thus an important cause of the large decrease in receipts from the carriers tax is that whereas there was paid in the fiscal year 1938 (under the Carriers Taxing Act of 1937, approved June 29, 1937) the tax liabilities of the five quarters extending from January 1937 through March 1938, there will become due and payable in the fiscal year 1939 only the liabilities of the four quarters ending March 1939.

Conversely, contributing to the estimated increase in receipts under title VIII of the Social Security Act, from $514 millions in the fiscal year 1938 to $520 millions in the fiscal year 1939, is the fact that receipts in the latter year will represent a full year's liability while receipts in the former year represented less than a full year's liability, since the shift from a monthly to a quarterly basis of payment, effective beginning January 1938, postponed to the fiscal year 1939 the receipts of April and May 1938 liabilities, part of which would otherwise have been received in the fiscal year 1938.

Receipts under title IX of the Social Security Act, estimated at $91 millions in the fiscal year 1939, as compared with actual receipts of $90 millions in the fiscal year 1938, reflect two offsetting influences. The title IX tax rate on pay rolls advanced successively from 1 percent for the calendar year 1936 to 2 percent for the calendar year 1937 and to 3 percent for the calendar year 1938, with a tax credit not exceeding 90 percent for employers who have paid their State unemployment taxes prior to January 31 of the year following the accrual of the Federal tax liability, in States certified to the Secretary of the Treasury by the Social Security Board on preceding December 31 as having operated during the year in accordance with approved standards. Hence, the fiscal year 1939 receipts, being based in part on the 2 percent rate and in part on the 3 percent rate, are expected to exceed the fiscal year 1938 receipts, based in part on the 1 percent rate and in part on the 2 percent rate. But although the higher tax rate tends to increase receipts, this tendency is nearly offset by an expected decrease in the estimated liabilities of employers who do not qualify for the 90 percent tax credit.

Customs.—Customs receipts, including any import tax "levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930 and . . . treated as a duty," are expected to decline in the fiscal year 1939 to $335 millions from the total of $359 millions received in the fiscal year 1938. It is estimated that changes in receipts by individual tariff schedules will be for the most part relatively small. Duties and import taxes from sugar are

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

expected to be above the fiscal year 1938 level because of relatively heavy imports in the first half of the current fiscal year. Imports of wool and woolen products are also expected to increase. Receipts from agricultural imports, however, are expected to drop because of the large supplies of agricultural products. A decrease is anticipated likewise in duties received from spirits.

Miscellaneous revenues and receipts.—Receipts from the many diverse sources of this group are estimated to yield $200 millions in the fiscal year 1939, a decrease of $8 millions from the total of $208 millions received in the fiscal year 1938.

Fiscal year 1940

Total receipts to general and special accounts for the fiscal year 1940 are estimated at $5,669 millions, assuming that the temporary taxes expiring June 30 and July 31, 1939, are extended in their present form. This amount represents an increase of $149 millions, or 2.7 percent, over estimated receipts for the fiscal year 1939. The increase is ascribed to an expected rise in receipts from all major sources of revenue except income taxes. If the temporary taxes are not extended, estimated receipts for the fiscal year 1940 are reduced by $490 millions, to $5,179 millions.

Income taxes.—Receipts from income taxes in the fiscal year 1940 are estimated at $1,903 millions as compared with an estimate of $2,086 millions for the fiscal year 1939. The fiscal year 1940 income tax receipts represent a portion of the tax liabilities of each of the two relatively low income years, calendar years 1938 and 1939. Although higher incomes are expected in the calendar year 1939 than in the calendar year 1938, it is anticipated that they will not reach the calendar year 1937 level. The result is that income tax receipts in the last half of the fiscal year 1940, based upon calendar year 1939 incomes, will be somewhat higher than those of the corresponding period of the previous fiscal year, but that receipts in the first half of the fiscal year 1940, based upon calendar year 1938 incomes, will be much lower than those of the first half of the preceding fiscal year. A similar situation accounts for the expected decline in the excess-profits tax in the fiscal year 1940. Unlike other items in the income tax group, back tax collections are expected to increase

Miscellaneous internal revenue.—Capital stock tax receipts in the fiscal year 1940 will depend on the valuation declared as of June 30, 1938, as adjusted on June 30, 1939. The net effect of the various adjustments in the original declared valuation due to the calendar year 1938 business activity is expected to decrease the fiscal year 1940 receipts to $123 millions from the $127 millions estimated for the fiscal year 1939.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Estate tax receipts are estimated at $329 millions in the fiscal year 1940. This represents only a slight increase over the estimate for the fiscal year 1939 as the length of time intervening between the valuation of estates and the payment of the tax prevents estate tax receipts from being immediately responsive to improving business conditions. Receipts from the gift tax are estimated at $33 millions, an increase of $6 millions over estimated receipts in the fiscal year 1939.

The estimated revenues from liquor taxes of $607 millions compare with an estimated aggregate of $563 millions in the fiscal year 1939. Receipts from the taxes on domestic distilled spirits and fermented malt liquors, the leading sources of revenue in this group, are expected to increase substantially, the former by $25 millions and the latter by $19 millions. The floor tax, enacted in June 1938 in connection with an increase in the tax rate on distilled spirits, will be unimportant as a source of revenue in the fiscal year 1940. Receipts from all other taxes in this group are expected to show moderate increases.

Tobacco taxes are expected to yield aggregate revenues of $610 millions in the fiscal year 1940 as compared with an estimated total of $566 millions in the fiscal year 1939. Increased revenues from the tax on cigarettes account for practically all of this gain as receipts from all other taxes in this group are expected to show only minor changes.

Stamp tax receipts are expected to total $59 millions in the fiscal year 1940, assuming a continuation of present taxes and rates. This compares with estimated revenues of $52 millions in the fiscal year 1939.

Under the present law, the manufacturers' excise taxes expire with respect to sales made after June 30 or in some cases after July 31, 1939. Assuming that these taxes, which form an important part of the present tax structure, will be extended by new legislation, aggregate receipts from the group are estimated at $427 millions in the fiscal year 1940. This amount compares with an estimated total of $379 millions in the fiscal year 1939. The tax on gasoline, the leading source of revenue in this group, is expected to yield $211 millions, representing an increase of $19 millions over the previous fiscal year.

Certain of the taxes in the miscellaneous group will expire or will be automatically modified at the beginning of the fiscal year 1940. Assuming a continuation of these taxes through new legislation, aggregate revenues from the group in the fiscal year 1940 are estimated at $145 millions, as compared with estimated revenues of $138 millions in the fiscal year 1939.

Pay-roll taxes.—Receipts under title VIII of the Social Security Act are expected to increase to $598 millions in the fiscal year 1940 from $520 millions in the fiscal year 1939. This gain is due in large part to the 50 percent increase in the tax rates effective during the calendar year 1940.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Revenues under title IX of the Social Security Act are expected to decline slightly to $89 millions from $91 millions anticipated for the fiscal year 1939. Two offsetting factors materially affect receipts from this tax in the fiscal year 1940. On one hand, this will be the first year when all current tax liabilities are collected under the 3 percent tax rate. On the other hand, receipts will be lowered because of the passage of the Railroad Unemployment Insurance Act which removes carriers from the coverage of title IX effective July 1, 1939. The full effect of this change in the law however is not reflected in the fiscal year 1940 receipts since the tax liabilities of the period January to June 1939 will enter title IX receipts in calendar year 1940.

Revenues under the Carriers Taxing Act of 1937 are expected to rise to $124 millions from the $109 millions anticipated in the fiscal year 1939. This increase may be ascribed in part to the increase in the aggregate of tax rates from 5½ percent to 6 percent beginning with calendar year 1940.

Railroad Unemployment Insurance Act.—Beginning July 1, 1939, carriers will be required to pay contributions under the Railroad Unemployment Insurance Act (approved June 25, 1938) rather than to pay taxes under title IX of the Social Security Act, and 10 percent of the contributions received will be deposited to the credit of the Railroad Unemployment Insurance Administration Fund. It has been assumed that contributions will be paid on a quarterly basis in the month following the close of the quarter in which the liabilities accrue. Thus the fiscal year 1940 receipts, which will include contributions covering only three quarters, are estimated at $5 millions.

Customs.—Receipts from customs duties and import taxes are expected to increase to $404 millions from the $335 millions anticipated for the fiscal year 1939. It is expected that increases will be general in the several tariff schedules, although a decline is expected in imports of sugar from the unusually high level of the fiscal year 1939.

Miscellaneous revenues and receipts.—Receipts from the many sources in this group are estimated at $208 millions in the fiscal year 1940 as compared with estimated receipts of $200 millions in the fiscal year 1939.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ESTIMATES OF EXPENDITURES

Actual expenditures for the fiscal year 1938 and estimates for the fiscal years 1939 and 1940 are shown in the table following. The estimated expenditures are furnished by the Bureau of the Budget and are based upon a careful survey of the needs of the various departments and bureaus of the Government.

Expenditures for the fiscal year 1938, on the basis of daily Treasury statements (unrevised), and estimated expenditures for the fiscal years 1939 and 1940

	Actual 1938	Estimated 1939	Estimated 1940
GENERAL AND SPECIAL ACCOUNTS			
EXPENDITURES			
I. General:			
Departmental: [1]			
Legislative establishment	$25,779,939.60	$22,721,050	$22,235,200
Executive proper	479,019.68	469,800	446,700
State Department	19,327,280.05	21,617,000	20,244,200
Treasury Department	152,075,169.02	160,785,820	167,340,100
War Department (nonmilitary)	2,964,605.98	3,419,000	1,675,000
Department of Justice	42,039,253.53	43,019,800	50,552,100
Post Office Department	2,909,134.52		
Department of the Interior	98,877,813.99	114,515,830	122,578,100
Department of Agriculture	112,774,127.32	127,427,600	128,546,100
Department of Commerce	41,177,583.75	32,933,000	50,900,500
Department of Labor	18,102,336.65	18,175,900	21,997,000
Shipping Board	2,972,975.36		
United States Maritime Commission	[6] 1,949,424.00	45,000,000	80,500,000
Rural Electrification Administration:			
Loans	9,159,343.23	45,000,000	40,000,000
Other	1,468,169.18	2,069,700	2,485,000
Civil Aeronautics Authority		13,000,000	19,220,000
Independent offices and commissions	41,583,202.79	47,854,540	49,155,000
Unclassified items	46,884.13		
	569,787,414.78	698,009,040	777,875,000
Adjustment for disbursing officers' checks outstanding	438,209.47		
Total departmental	570,225,624.25	698,009,040	777,875,000
Public buildings [1]	60,817,513.97	48,347,000	57,711,500
Public highways [1]	152,036,509.61	191,644,100	190,510,000
River and harbor work and flood control [1]	164,995,448.61	204,308,300	208,632,300
Reclamation projects [1 2]	39,907,512.71	59,065,100	57,009,000
Panama Canal	11,361,129.66	11,954,200	10,524,000
Postal deficiency (current)	43,407,438.40	56,566,000	53,331,000
Postal deficiency (prior years) [3]	851,422.78		
Railroad Retirement Board:			
Administrative expenses	2,613,296.73	2,619,000	3,228,000
Railroad unemployment insurance administration fund		2,300,000	8,400,000
Annuity payments	[6] 3,985,323.28		
Social Security Act:			
Administrative expenses:			
Social Security Board	19,613,584.38	22,244,500	22,815,000
Department of Commerce	8,513.70	75,000	95,000
Department of Labor	336,379.18	318,000	348,000
Grants to States:			
Social Security Board	254,769,184.91	291,000,000	318,800,000
Department of Labor	7,833,235.95	8,600,000	8,300,000
Treasury Department	8,892,079.88	8,000,000	8,000,000
Unclassified	10.61		
United States Housing Authority [1]	165,424.32		4,500,000
District of Columbia (United States share)	5,000,000.00	5,000,000	5,000,000
National defense: [1]			
Army	404,701,839.33	447,298,400	450,059,100
Navy	569,455,393.71	594,908,750	687,498,800
Veterans' Administration [1]	581,764,663.30	549,462,100	546,668,000

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Expenditures for the fiscal year 1938, on the basis of daily Treasury statements (unrevised), and estimated expenditures for the fiscal years 1939 and 1940—Con.

	Actual 1938	Estimated 1939	Estimated 1940
GENERAL AND SPECIAL ACCOUNTS—Continued			
EXPENDITURES—Continued			
I. General—Continued.			
Agricultural Adjustment program:			
Agricultural Adjustment Administration	[a] $334,458.59	$59,600,000	$49,000,000
Agricultural Adjustment Administration [4]	17,001,480.91		
Agricultural Adjustment Administration (act Aug. 24, 1935)	38,156,532.69	200,000,000	90,000,000
Agricultural contract adjustments	2,992,126.87	377,000	310,000
Soil Conservation and Domestic Allotment Act	303,852,184.12	400,000,000	400,000,000
Price Adjustment Act of 1938		40,000,000	150,000,000
Federal Crop Insurance Act:			
Administrative expenses		3,000,000	5,000,000
Subscriptions to capital stock of Federal Crop Insurance Corporation		5,000,000	
Unclassified	[a] 8,556.65		
Farm Tenant Act:			
Loans	2,275,429.47	20,000,000	22,000,000
Other	776,319.23	6,800,000	8,800,000
Unclassified	[a] 92.08		
Civilian Conservation Corps [1]	324,986,035.04	290,000,000	285,000,000
Farm Credit Administration: [1]			
Crop loans	4,156,442.16	12,705,000	13,000,000
Other	4,016,787.73	6,372,380	7,366,100
Unclassified	[a] 18,293.78		
Tennessee Valley Authority	42,002,238.16	43,000,000	40,000,000
Interest on the public debt	[c] 926,280,713.67	976,000,000	1,050,000,000
Refunds:			
Customs	16,156,340.00	16,000,000	17,500,000
Internal revenue	32,791,660.60	35,008,500	38,018,000
Processing tax on farm products	10,232,689.76	15,000,000	15,000,000
To States of taxes collected under title IX of the Social Security Act	40,561,886.43		
Subtotal	4,660,648,348.45	5,330,582,870	5,610,298,800
II. Recovery and relief:			
Agricultural aid:			
Federal Farm Mortgage Corporation—reduction in interest rate on mortgages	5,726,515.05	8,000,000	7,300,000
Federal land banks:			
Capital stock	4,736,775.00	150,000	
Subscriptions to paid-in surplus	32,977,497.53	9,390,000	
Reduction in interest rates on mortgages	32,114,033.21	20,378,000	29,700,000
Commodity Credit Corporation:			
Restoration of capital impairment	94,285,404.73		
Other [9]	66,965.57		
Relief:			
Federal Emergency Relief Administration: [5]			
Reconstruction Finance Corporation funds	31,310.94		
Other	4,337,769.82	2,000,000	
Civil Works Administration	222,101.04	210,000	205,000
Civilian Conservation Corps	1,396,512.57		
Department of Agriculture, relief	2,472.25		
Public works (including work relief):			
Reclamation projects [6]	25,498,296.95	34,282,350	10,670,000
Public highways	84,575,923.50	40,420,400	22,280,000
River and harbor work and flood control	33,639,018.24	16,101,100	
Rural Electrification Administration	4,565,206.87	1,692,600	
Works Progress Administration (including National Youth Administration)	1,472,499,478.21	1,562,933,000	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Expenditures for the fiscal year 1938, on the basis of daily Treasury statements (unrevised), and estimated expenditures for the fiscal years 1939 and 1940—Con.

	Actual 1938	Estimated 1939	Estimated 1940
GENERAL AND SPECIAL ACCOUNTS—Continued			
EXPENDITURES—Continued			
11. Recovery and relief—Continued.			
Public works (including work relief)—Continued.			
Public Works Administration, grants (act June 21, 1938)	----------	$275,000,000	$340,000,000
Other:			
Administrative expenses, Public Works Administration	$15,109,011.28	26,000,000	16,560,000
Legislative establishment	515,895.17	135,000	----------
State Department	1,659,879.27	275,000	----------
Treasury Department:			
Public buildings	15,889,790.32	11,555,000	4,200,000
Other	24,750,372.42	26,184,180	4,364,000
War Department (nonmilitary)	316.97	----------	----------
National defense:			
Army	26,863,051.55	47,604,000	30,000,000
Navy	26,822,907.09	41,726,500	9,000,000
Department of Justice	1,210,708.29	8,250,000	5,750,000
Department of the Interior	32,407,750.59	45,596,200	7,930,000
Department of Agriculture	27,342,732.98	28,332,400	1,241,000
Department of Commerce	569,517.13	6,440,800	1,150,000
Department of Labor	7,528,698.21	1,980,100	----------
Veterans' Administration	213,071.61	6,325,000	7,000,000
Independent offices and commissions	13,065,141.33	13,358,100	3,875,000
District of Columbia	9,332.44	----------	----------
Unclassified items	223,839.46	----------	----------
Aid to home owners:			
Home loan system:			
Reconstruction Finance Corporation funds:			
Home loan bank stock	4,734,900.00	----------	----------
Federal savings and loan associations	11,797.85	----------	----------
Emergency housing	22,457,595.22	100,000	----------
U. S. Housing Authority	20,487,826.32	8,385,900	----------
Federal Housing Administration:			
Reconstruction Finance Corporation funds	11,725,002.46	13,000,000	10,000,000
Other	16.99		
Farm Security Administration	180,149,108.66	179,889,200	5,000,000
Miscellaneous:			
Reconstruction Finance Corporation: [9]			
Disaster Loan Corporation stock	4,000,000.00	2,000,000	----------
Loans and grants to States, municipalities, etc., under act July 21, 1932	[a] 254,374.30	----------	----------
Other	3,405,199.62	----------	----------
Export-Import Bank of Washington [9]	2,703.70	----------	----------
Administration for Industrial Recovery	[a] 4,522.24	----------	----------
Subtotal	2,237,563,551.87	2,437,694,830	516,165,000
III. Revolving funds (net):			
Agricultural aid:			
Farm Credit Administration:			
Reconstruction Finance Corporation funds:			
Crop production loans	[a] 633,621.71	[a] 400,000	[a] 200,000
Regional agricultural credit corporations	[a] 7,918,444.60	[a] 3,684,000	[a] 1,497,000
Loans to joint stock land banks	[a] 75,487.51	[a] 56,300	----------
Farm Credit Administration	201,387.21	210,000	193,000
Unclassified	964.54	----------	----------
Other	[a] 4,220,899.84	[a] 2,800,000	[a] 1,500,000

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Expenditures for the fiscal year 1938, on the basis of daily Treasury statements (unrevised), and estimated expenditures for the fiscal years 1939 and 1940—Con.

	Actual 1938	Estimated 1939	Estimated 1940
GENERAL AND SPECIAL ACCOUNTS—Continued			
EXPENDITURES—Continued			
III. Revolving funds (net)—Continued.			
Public works:			
Loans and grants to States, municipalities, etc	$136,875,352.65	$105,675,000	$25,000,000
Loans to railroads	[a] 3,276,579.88		
Loans (act June 21, 1938)		40,000,000	15,000,000
Subtotal	120,952,670.86	138,944,700	36,996,000
IV. Transfers to trust accounts, etc.:			
Old-age reserve account	387,000,000.00	503,000,000	570,000,000
Railroad retirement account	146,402,587.18	107,000,000	115,000,000
Government employees' retirement funds (United States share):			
Civil service retirement fund	72,392,000.00	74,244,000	86,329,000
Foreign service retirement fund	188,000.00	187,600	199,400
Canal Zone retirement fund	500,000.00	500,000	500,000
Alaska R. R. retirement fund	175,000.00	175,000	175,000
Subtotal	606,657,587.18	685,106,600	772,203,400
V. Debt retirements:			
Sinking fund	[c] 65,115,550.00	100,000,000	100,000,000
Received from foreign governments under debt settlements	210,000.00		
Estate taxes, forfeitures, gifts, etc	[c] 139,400.00		
Subtotal	65,464,950.00	100,000,000	100,000,000
Total expenditures exclusive of supplemental items	7,691,287,108.36	8,692,329,000	7,035,663,200
Supplemental items		900,000,000	2,060,000,000
Grand total, expenditures, general or special accounts	7,691,287,108.36	9,592,329,000	9,095,663,200
Excess of expenditures over receipts	1,449,625,881.37	4,072,259,000	3,426,343,200
Summary			
Excess of expenditures (+) or receipts (−)	+1,449,625,881.37	+4,072,259,000	+3,426,343,200
Less public debt retirements	65,464,950.00	100,000,000	100,000,000
Excess of expenditures (+) or receipts (−) (excluding public debt retirements)	+1,384,160,931.37	+3,972,259,000	+3,326,343,200
Trust accounts, increment on gold, etc., excess of receipts (−) or expenditures (+)	−254,999,624.40	+46,461,758	−53,208,071
	+1,129,161,306.97	+4,018,720,758	+3,273,135,129
Less national bank note retirements	51,478,739.50	5,497,305	
Total excess of expenditures (+) or receipts (−) (excluding public debt retirements)	+1,077,682,567.47	+4,013,223,453	+3,273,135,129
Increase (+) or decrease (−) in General Fund balance	−337,555,984.31	−46,461,758	+53,208,071
Increase (+) or decrease (−) in the public debt	+740,126,583.16	+3,966,761,695	+3,326,343,200
Public debt at beginning of year	36,424,613,732.29	37,164,740,315	41,131,502,010
Public debt at end of year	37,164,740,315.45	41,131,502,010	44,457,845,210
TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.			
RECEIPTS [8]			
Trust accounts	[c] 322,527,677.06	342,106,258	341,860,511
Increment resulting from reduction in the weight of the gold dollar	1,094,842.97		
Seigniorage [7]	90,351,012.40	70,000,000	70,000,000
Unemployment trust fund:			
State accounts:			
Deposits by States	747,660,496.77	786,200,000	748,900,000
Interest on investments	15,172,022.11	25,690,000	32,333,500
Railroad unemployment insurance account:			
Contributions			44,550,000
Interest on investments			325,000
Old-age reserve account:			
Transfers from general fund	387,000,000.00	503,000,000	570,000,000
Interest on investments	15,412,232.89	27,029,000	43,863,000

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Expenditures for the fiscal year 1938, on the basis of daily Treasury statements (unrevised), and estimated expenditures for the fiscal years 1939 and 1940—Con.

	Actual 1938	Estimated 1939	Estimated 1940
TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.—Continued			
RECEIPTS—Continued			
Railroad retirement account:			
Transfers from general fund	$146,402,587.18	$107,000,000	$120,150,000
Interest on investments	1,410,821.92	2,200,000	2,600,000
Total	1,727,031,693.30	1,863,225,258	1,974,582,011
EXPENDITURES [8]			
Trust accounts	327,047,497.83	336,048,339	358,652,440
Transactions in checking accounts of governmental agencies (net), etc.:			
Commodity Credit Corporation	[a] [b] [d] 184,487,067.11	117,020,000	
Export-Import Bank of Washington: Reconstruction Finance Corporation funds	[a] 1,206,460.00		
Rural Electrification Administration	33,930,430.61		
Reconstruction Finance Corporation [9]	[a] [b] 8,627,452.52		
Other	[a] [b] 43,596,417.45		
Chargeable against increment on gold:			
Melting losses, etc	34,678.99	2,372	
Payments to Federal Reserve banks (sec. 13b, Federal Reserve Act, as amended)	125,000.00		
For retirement of national-bank notes	51,478,739.50	5,497,305	
Unemployment trust fund:			
State accounts:			
Investments	559,705,000.00	336,890,000	212,233,500
Withdrawals by States	190,975,000.00	475,000,000	500,000,000
Railroad unemployment insurance account:			
Investments			58,875,000
Payment of unemployment insurance			55,000,000
Old-age reserve account:			
Investments	395,200,000.00	510,029,000	578,863,000
Benefit payments	5,404,062.87	20,000,000	35,000,000
Railroad retirement account:			
Investments	66,200,000.00	9,700,000	6,750,000
Benefit payments	79,849,056.18	99,500,000	116,000,000
Total	1,472,032,068.90	1,909,687,016	1,921,373,940
Excess of receipts over expenditures	254,999,624.40		53,208,071
Excess of expenditures over receipts		46,461,758	

[a] Excess of credits (deduct).
[b] Revised to adjust classification.
[c] Includes $22,507,108.04, representing 1 year's interest at 4½ percent on $500,157,956.40 face amount of bonds issued to the United States Government life insurance fund pursuant to sec. 5 of the Adjusted Compensation Payment Act of Jan. 27, 1936.
[d] Includes deposit of proceeds of appropriation for restoration of capital impairment of the Commodity Credit Corporation provided in act of June 25, 1938. The credit to this account is offset by an expenditure in the same amount under the caption "Recovery and relief: Agricultural aid," above.

[1] Additional expenditures on these accounts are included under "Recovery and relief," and "Revolving funds (net)."
[2] Expenditures under this caption for the fiscal year 1937 include only Boulder Canyon project, other reclamation projects being included in "Departmental—Department of the Interior."
[3] The figures for the fiscal year 1938 represent payments and repayments of $8,780,085.63 and $7,928,662.85, respectively, on account of adjustments of grants for prior years. The net adjustment is $851,422.78. The figures for the fiscal year 1937 represent repayment of funds by Post Office Department on account of grants for fiscal years 1925 to 1933.
[4] Formerly classified under "Recovery and relief—Agricultural aid."
[5] Includes expenditures made by Federal Surplus Commodities Corporation from funds provided for the Federal Emergency Relief Administration.
[6] Expenditures under this caption for the fiscal year 1937 include only Boulder Canyon project, other reclamation projects being included in "Public works—All other—Department of the Interior."
[7] This item of seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated Aug. 9, 1934.
[8] Beginning Dec. 31, 1937, transfers from the General Fund have been treated as receipts instead of offsets against expenditures. The figures for July 1937 and for the fiscal year 1937, therefore, include adjustments on this account and in that respect disagree with the figures published prior to Dec. 31, 1937.
[9] Disagrees with the figures published in the daily Treasury statement due to a revision in classifications referred to in the announcement accompanying the daily Treasury statement for July 1, 1938 (see p. 347).

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

BUREAU OF INTERNAL REVENUE

During the fiscal year 1938 total collections of internal revenue in the amount of $5,658,800,000 [1] exceeded collections in the preceding fiscal year by $1,005,600,000. The total amount collected included back income taxes of $251,600,000, which is $6,700,000, or approximately 2.6 percent, less than the total collections of back income taxes during 1937.

Income tax

To expedite the examination and closing of income tax returns, several changes in procedure were effected during the latter months of the fiscal year 1938. Among the more important changes were (1) the establishing of office audit sections in field divisions of the Income Tax Unit, where such sections had not previously been operated, and the expansion of office audit work in those divisions already conducting office audits; (2) the granting of authority to all internal revenue agents in charge to issue statutory notices in cases where the deficiencies determined after protest were $300 or less and in cases, regardless of the amount of deficiencies involved, in which taxpayers failed to cooperate with the agents in charge; and (3) the more prompt routing of the larger and more important currently filed returns to the field offices for examination.

The field forces conducted 429,601 examinations and recommended changes in tax liability in 258,998 or 60 percent of the cases. Agreements were secured in 229,729 or 89 percent of the returns in which changes in tax liability were recommended. The deficiency taxes to which agreements were secured by the field totaled $93,800,000, the second largest amount in agreed taxes ever secured by the field force in any fiscal year.

Miscellaneous internal revenue

Estate tax collections for the fiscal year 1938 exceeded such collections for the preceding year by $100,500,000; tobacco tax collections increased $15,900,000; gift tax collections increased $10,800,000; and capital stock tax collections increased $1,800,000. The collections of manufacturers' excise taxes decreased $33,100,000; the collections of liquor taxes decreased $26,300,000; and the collections of documentary stamp taxes decreased $23,700,000. An increase of $33,400,000 in collections from the so-called miscellaneous taxes is accounted for by collections of $33,800,000 under the taxes imposed by the Sugar Act of 1937 ($30,600,000) and the Bituminous Coal Act of 1937 ($3,200,000), no collections having been made under either of these acts prior to the fiscal year 1938.

[1] On the basis of reports of collections, see p. 352.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Social security taxes

Collections of taxes under title VIII of the Social Security Act amounted to $502,900,000 during the year, an increase of $295,600,000 over the preceding year. The tax imposed by title IX of the act yielded $90,300,000, exceeding the yield from that source during the preceding year by $32,100,000. The first collections of taxes imposed by the Carriers Taxing Act of 1937 were made during the year, amounting to $149,500,000.

During the first 9 months of the year these taxes were administered by the Social Security Tax Unit. That unit was consolidated with the Accounts and Collections Unit on April 1, 1938, and from that date the social security taxes have been administered by the Accounts and Collections Unit.

Extensive studies were conducted during the year to effect a simplification of collecting the taxes and securing reports of the amounts of taxable wages paid to each employee under title VIII of the Social Security Act. For the calendar year 1937 each employer was required to make 12 monthly tax returns and two 6-month information returns, an aggregate of 14 returns. Effective January 1, 1938, a quarterly return method was adopted, combining the tax and information features of the old plan. Substantial savings in the costs of compliance and administration have resulted from the change.

Alcohol tax administration

The program for the enforcement of raw materials control was continued with more than 6,000 distributors submitting returns showing sales, and over 1,700 distributors of denatured alcohol making similar reports of their sales. The constitutionality of the raw materials law (U. S. C., 1934 edition, title 26, sec. 1162a) was definitely established by court decisions during the year. The preventive effect of this program has been reflected in the reduction of quantities of materials purchased by illicit distillers. There were more than 300 distillery seizures during the year as a direct result of information furnished by dealers in raw materials.

Extensive research was conducted in the laboratory of the Alcohol Tax Unit on various species of marihuana grown on the Arlington Experimental Farm of the Department of Agriculture. Hundreds of samples were examined for the purpose of identifying the active principle, and for determining at what stage during the growth of the plant the active principle developed. The methods for identifying marihuana were improved.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Technical Staff decentralization

A definite program looking to the decentralization of the appellate procedure for the administrative settlement of disputed income, excess-profits, and estate tax cases was inaugurated on March 1, 1938, by the establishment at Los Angeles of a special branch of the Commissioner's office, known as the Los Angeles Division of the Technical Staff. The head of the Division, with the advice or concurrence of counsel (a representative of the Chief Counsel for the Bureau), was given authority (subject to the general supervision of the Commissioner) to settle not only cases docketed before the United States Board of Tax Appeals and placed on a circuit calendar for hearing in that area, but also cases referred to the Division from the office of the internal revenue agent in charge at Los Angeles prior to the issuance of the statutory notice of deficiency.

The results accomplished by the Los Angeles Division of the Technical Staff during the first few months of its operation demonstrated the practicability of the plan of handling and disposing of cases pending before the Board; and although the results were at that time inconclusive as regards the application of an appellate settlement procedure to cases prior to the issuance of the deficiency notice, they were such as to warrant an extended and broader trial of the plan. Plans were perfected for the establishment on July 1, 1938, of the Pacific Division of the Technical Staff with coordinate local offices at Los Angeles, San Francisco, and Seattle, and branch offices at such points as the Commissioner may determine. The Pacific Division will comprise the States of Washington, Oregon, California, Idaho, Montana, Utah, Nevada, and Arizona, and the Territories of Hawaii and Alaska. The original Los Angeles Division of the Technical Staff was abolished on June 30, 1938, and became on July 1, 1938, the Los Angeles office of the Pacific Division. The jurisdiction of the Pacific Division was enlarged to include within the pre-90-day classification those cases involving the ad valorem fraud penalty (but not criminal prosecution) and also estate and gift taxes. With these changes, the jurisdiction of the Pacific Division, both before and after the issuance of a deficiency notice, covers substantially the broad class of cases which are capable of appeal to the Board of Tax Appeals.

Orders were issued in May and June 1938 directing the establishment of similar divisions at New York on August 1, 1938, and at Chicago on September 1, 1938. The New York Division will cover the State of New York and the Chicago Division will include the States of Illinois, Indiana, Wisconsin, Minnesota, North Dakota, and South Dakota. Until January 1, 1939, the New York and Chi-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

cago Divisions will be concerned primarily with cases which have been appealed to the United States Board of Tax Appeals; after that date, they will also have authority, upon request of the taxpayer, to review the determinations of tax made by local agents in charge, prior to the issuance of a deficiency notice.

The settlement procedure developed by the Technical Staff since its establishment in 1933 has been found both effective and competent and a similar procedure is being followed in the Staff field divisions.

The new plan is demonstrating definite advantages. It will appreciably reduce the repetitious steps and long delays which the Bureau has been unable to avoid under the centralized procedure. It will undoubtedly result in greater convenience and economy to taxpayers, and it should bring about a more expeditious disposition of tax cases.

A detailed description of the work of the Bureau of Internal Revenue will be found on pages 154 to 181 of this report.

CUSTOMS

Total customs receipts, on the basis of the daily Treasury statement, unrevised, amounted to approximately $359,200,000 in the fiscal year 1938, a decrease of $127,200,000 during the year. This decline reflects the substantial contraction in imports during the last 6 months of the fiscal year as compared with corresponding imports for the similar period of 1937, when imports were running at an unusually high level.

Every tariff schedule participated in the decline in receipts, but two-thirds of the decrease for the year was in those commodities which were the most important sources of revenue during 1937, and which in that year showed the largest increases over 1936. The largest decreases occurred in the receipts from duties on agricultural products, which were $50,100,000 less than in 1937, and those on wool and wool manufactures, which were $32,800,000 less, representing decreases of 43 percent and 57 percent, respectively. Every tariff schedule but one, the tobacco schedule, also declined in the value of dutiable imports.

The value of dutiable imports entered for consumption during the year was $908,800,000, a decrease of 27 percent from the preceding year. The value of imports entered free of duty constituted 61 percent of the total value of all imports entered for consumption in 1938, and 57 percent in 1937. Exports in 1938 were $563,000,000 greater than in 1937, and the excess of exports over imports in 1938 was $1,144,000,000 larger than in 1937.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Foreign trade results and customs receipts are summarized by fiscal years in the following table:

Merchandise exports and imports and customs receipts, fiscal years 1932 to 1938

[In millions of dollars]

Fiscal year	Exports [1]	General imports [1]	Excess of exports over imports	Customs receipts [2]
1932	1,948	1,730	218	328
1933	1,440	1,168	272	251
1934	2,042	1,721	321	313
1935	2,121	1,786	335	343
1936	2,414	2,218	196	387
1937	2,838	[3] 2,942	[3] −104	486
1938	3,401	2,361	1,040	359

[1] Source: Bureau of Foreign and Domestic Commerce.
[2] On basis of daily Treasury statements (unrevised).
[3] Revised.

A more detailed statement of the activities of the Bureau of Customs is presented on pages 130 to 146 of this report.

CONSTRUCTION ACTIVITIES

Public building operations during the fiscal year 1938, including construction work performed for other departments, resulted in the completion of 486 major projects, with a total limit of cost of $84,170,333. At the end of the year 193 projects, to cost approximately $63,613,131, were under contract; 84 projects, with a limit of cost of $16,983,600, were either on the market for construction bids or were practically ready to be placed on the market; and 366 projects, to cost approximately $69,880,500, were in preliminary stages.

Program under the Public Works Administration

The number of projects under the allotments made for public buildings by the Public Works Administration was increased during the year from 437 to 438, and the total amount of such allotments was reduced from $76,039,949 to $75,673,885. All projects under this program were completed by the end of the year, with the exception of one with a limit of cost of $6,500, which was under contract.

Program under the emergency appropriation acts

The acts of Congress approved June 19, 1934, August 12, 1935, June 22, 1936, and August 25, 1937, authorized expenditures totaling $255,000,000 for the emergency construction of public buildings throughout the country, the projects to be selected by the Secretary of the Treasury and the Postmaster General. Under this legislation 1,534 projects, with a limit of cost of $252,640,227, were selected to June 30, 1938. Of these, 897, with a limit of cost of $115,123,768,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

were completed; 188, with a limit of cost of $55,352,359, were under contract; and 449, with a limit of cost of $82,164,100, were in the preliminary stages.

The act approved August 25, 1937, provided for the expenditure of $70,000,000 for public buildings over a period of 3 years. The Federal Public Buildings Appropriation Act, approved June 21, 1938, provided an additional $60,000,000 for this purpose, making a total of $130,000,000 for the 3-year program. The selection of projects under the augmented authorization was in progress at the end of the fiscal year.

Program for other departments

Funds to the amount of $35,358,668 were made available to the Procurement Division as of June 30, 1938, by other departments and by certain specific authorizations by Congress for the construction of new buildings and the rehabilitation, remodeling, extension, and repair of old buildings, 45 projects being involved. By June 30, 1938, 40 of these projects costing $22,404,396 were completed; 4 projects to cost $8,254,272 were under contract; and one project to cost approximately $4,700,000 was being held in abeyance pending definite location of the site.

Buildings in the District of Columbia

Included under the Public Works Administration program and the program for other departments are various building projects in the District of Columbia. During the year the Federal Trade Commission (Apex) Building, the annex to the Bureau of Engraving and Printing, and Warehouse No. 4 for the Government Printing Office were completed. As of June 30, 1938, the addition to the Archives Building was about 85 percent complete and a contract had been awarded for the construction of Annex No. 3 to the Government Printing Office.

Detailed information concerning all building programs and other activities of the Procurement Division will be found on pages 194 to 205 of this report.

TREASURY ACTIVITIES UNDER THE PROVISIONS OF THE SOCIAL SECURITY ACT

The Social Security Act, approved August 14, 1935, provided for grants to the States for old-age assistance, for unemployment compensation administration, for aid to dependent children, for maternal and child welfare, for public health work, and for aid to the dependent blind. The Secretary of the Treasury makes payments to the States, from sums appropriated for the various purposes, of amounts certified by the Social Security Board or other governmental agency responsible for their determination under the provisions of the act.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Unemployment trust fund

Under section 904 (a) of the act, which established in the Treasury an unemployment trust fund, the receipts of State unemployment funds are paid over to the Secretary of the Treasury for credit to the unemployment trust fund. The Secretary of the Treasury is authorized and directed to pay out of the fund to any State agency such amount as it may requisition, not exceeding the amount standing to the account of such State agency at the time of such payment. The status of the fund as of June 30, 1938, is shown on page 100 of this report, and as of June 30, 1936 to 1938, and at the end of each month during 1938 in the table on page 451 of this report. The receipts and expenditures in connection with the fund for the fiscal years 1936 to 1938 and monthly during 1938 are also shown in this table.

Collection of taxes

The income tax upon the wages of employees and excise taxes on employers, imposed under titles VIII and IX of the act, are collected by the Bureau of Internal Revenue. The amounts of taxes collected are shown on pages 170 and 171. The procedure involved in connection with the returns submitted by the taxpayers is explained on pages 170 to 173.

Public health work

Under title VI of the Social Security Act, appropriations were authorized for assisting the States, counties, and other political subdivisions in maintaining adequate public health services, and for expenditure by the Public Health Service for investigation of disease and problems of sanitation. A report of the activities of the Public Health Service under this title will be found on page 216.

Old-age reserve account

Title II of the Social Security Act established a system of Federal old-age benefits. Section 201 (a) of the act established an account in the Treasury to be known as the "Old-age reserve account." The Secretary of the Treasury is required to submit annually to the Bureau of the Budget estimates of the appropriations required to be made to this account. A statement concerning the financial status of the old-age reserve account is shown on page 99 of this report.

Section 201 (f) of the act requires that "The Secretary of the Treasury shall include in his annual report the actuarial status of the account." The term "actuarial status" is interpreted to mean a comparison of future benefit payments with funds on hand plus future income of the account. For valuation purposes, future income of the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

account includes assumed annual appropriations equal to annual tax receipts under title VIII, less an administrative-expense allowance of $1 per year per individual covered by the act.

The valuation balance sheet shown below indicates the actuarial status of the old-age reserve account as of June 30, 1938. The figures are based upon data tabulated from the individual wage records maintained by the Social Security Board, and upon certain valuation assumptions in respect to mortality, future population growth, etc., as set forth in a statement following the balance sheet. Some of these assumptions are necessarily arbitrary because the system has not been in operation long enough to furnish adequate experience. The accuracy of the balance sheet figures depends, of course, upon how closely future experience may agree with the valuation assumptions. The absolute amounts shown below are subject to a considerable margin of error, but it is believed that the figures present a reasonably conservative approximation of the relationship between benefits and title VIII taxes.

Valuation balance sheet showing the actuarial status of the old-age reserve account as of June 30, 1938

[In millions of dollars]

Group	Present value June 30, 1938, of—							Ratio of benefits to assumed appropriations
	Future payments on account of—				Future income			
	Annuity benefits	Death benefits	Lump-sum benefits at age 65	Total benefits	Title VIII taxes	Expense allowance	Assumed appropriations	
								Percent
Covered membership on June 30, 1938:								
Male	$21,475	$4,190	$48	$25,713	$21,580	$484	$21,096	121.89
Female	5,278	424	30	5,732	2,746	211	2,535	226.11
Total covered June 30, 1938	26,753	4,614	78	31,445	24,326	695	23,631	133.07
Future entrants into covered group:								
Male	32,522	6,560	15	39,097	43,746	1,095	42,651	91.67
Female	14,386	1,150	108	15,644	10,900	921	9,979	156.77
Total future entrants	46,908	7,710	123	54,741	54,646	2,016	52,630	104.01
Total present and future membership:								
Male	53,997	10,750	63	64,810	65,326	1,579	63,747	101.67
Female	19,664	1,574	138	21,376	13,646	1,132	12,514	170.82
Grand total	73,661	12,324	201	86,186	78,972	2,711	76,261	113.01
Balance of old-age reserve account as of June 30, 1938							777	
Total assets							77,038	
Excess of future benefit payments over assets							9,148	
Ratio of future benefit payments to total assets (percent)							111.87	

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The valuation balance sheet is predicated upon the following assumptions:

1. *Estimated membership as of June 30, 1938.*—The membership of the insured group as of June 30, 1938, is estimated at approximately 34,000,000 lives. This figure is based upon the aggregate amount of taxable wages during the fiscal year 1938, and a sample tabulation of wage records prepared by the Social Security Board. Of the 34,000,000 insured lives, 24,000,000 are arbitrarily assumed to be regularly employed in covered industries. The remaining group of 10,000,000 lives is assumed to be primarily employed in noninsured industries and will therefore become eligible for a relatively low average benefit.

2. *Distribution of present membership by age and by sex.*—On the basis of the sample tabulations prepared by the Social Security Board, the 34,000,000 insured lives are classified, for valuation purposes, as follows:

A. Classification of 24,000,000 lives assumed to be regularly employed in insured industries, by age and by sex

[In thousands of lives]

Age group	Male	Female	Total
Under 20	1,484.4	843.7	2,328.1
20 to 24	2,972.7	1,485.5	4,458.2
25 to 29	2,808.2	1,099.2	3,907.4
30 to 34	2,482.1	784.6	3,266.7
35 to 39	2,128.5	592.5	2,721.0
40 to 44	1,861.8	452.5	2,314.3
45 to 49	1,633.2	332.8	1,966.0
50 to 54	1,233.9	209.7	1,443.6
55 to 59	868.2	125.7	993.9
60 to 64	535.1	65.7	600.8
Total	18,008.1	5,991.9	24,000.0

B. Classification of 10,000,000 lives assumed to be intermittently employed in insured industries, by age and by sex

[In thousands of lives]

Age group	Male	Female	Total
Under 20	528.7	504.8	1,033.5
20 to 24	1,058.8	888.9	1,947.7
25 to 29	1,000.4	657.8	1,658.2
30 to 34	884.1	469.4	1,353.5
35 to 39	758.2	354.4	1,112.6
40 to 44	663.2	270.9	934.1
45 to 49	581.8	199.1	780.9
50 to 54	439.4	125.5	564.9
55 to 59	309.3	75.4	384.7
60 to 64	190.7	39.2	229.9
Total	6,414.6	3,585.4	10,000.0

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

3. *Average amount of annuity benefits.*—The average amount of the annuity to be paid in respect to each classification of the 34,000,000 lives insured on June 30, 1938, is estimated on the basis of sample tabulations by intervals of annual taxable wages prepared by the Social Security Board. The computations in respect to those regularly employed in insured industries are based on the sample distributions of men receiving in taxable wages $500 or more annually and of women receiving $400 or more annually. It is further assumed that average taxable wages will remain constant after age 26 in the case of women and after age 31 in the case of men. At ages below 27 and 32, respectively, rates of wage increase are assumed. In the case of the 10,000,000 lives assumed to be intermittently employed in insured industries, the average annuities are based upon the sample distributions of men receiving in taxable wages less than $500 annually and of women receiving less than $400 annually. (In the computation of the average annuities in respect to women, rates of withdrawal from industry are taken into account—see paragraph 6 below.)

The average annual taxable wage of the entire insured membership (34,000,000 lives) is approximately $867.

4. *Growth in membership and average age of new entrants.*—On the basis of studies on future population growth, it is assumed that the regular membership (exclusive of those in receipt of annuities) will increase gradually to an ultimate level of about 38,000,000 lives. Of this number, it is assumed that about 30,000,000 will be currently employed in an insured industry and that the remaining 8,000,000 members below the age of 65 will have retired from gainful employment.

The average age of new entrants into regular covered employment is assumed to be equivalent, for valuation purposes, to a uniform entry age of 22 for women and 27 for men. The actual average age at which individuals first become regularly employed is probably less than 18. Thus allowance is made for the fact that many will first become employed in noninsured industries and later enter regular insured employment at a relatively high age. Others permanently withdraw from covered employment and enter agricultural or other uncovered employment prior to reaching age 65. The use of withdrawal rates in the case of women makes additional allowance for the fact that many women withdraw from gainful employment long before reaching age 65.

The membership in respect to those intermittently employed in covered industries is assumed to increase to about 25,000,000 lives during the next 5 years and thereafter to increase gradually to an ultimate maximum of about 40,000,000 insured individuals.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Of this number, it is assumed that about 30,000,000 will be currently employed in covered industries and that the remaining 10,000,000 members will have permanently retired from covered employment. The age distribution of new entrants into this group is assumed to be proportional to the age distribution of those intermittently employed in insured industries as shown in table B under paragraph 2 above.

The total membership, therefore, exclusive of those receiving annuity benefits, is assumed to reach an ultimate maximum of about 78,000,000, or approximately 82 percent of the expected ultimate population between ages 20 and 65.

5. *Mortality.*—The calculations are based upon the United States Life Tables for White Males, and for White Females, 1930. No allowance is made directly for future improvement in mortality. However, since the tables used reflect lower mortality than the rates for the entire population, some allowance for future improvement in the mortality is made indirectly. It should be noted in this connection that most of the improvement in mortality during the last 20 years has been at ages below 20.

6. *Rate of withdrawal from gainful employment.*—By means of a comparison of the number of gainfully employed women at each age with the total number of women in the corresponding age group according to census figures, it was possible to make rough estimates of the percentage of insured women in each age group who may be expected to withdraw each year from insured employment. A service table was constructed reflecting mortality according to the United States Life Tables for White Females and the probable annual rate of withdrawal from insured employment. This table was used in the valuation of benefits and taxes in respect to insured women.

7. *Average age of retirement.*—All women having wage credits of $2,000 or more are assumed to become eligible for annuity benefits at age 65. Men having $2,000 or more of wage credits are assumed to become eligible for annuity benefits at an average age of about 67 years. The effect of these assumptions is a combined average age of retirement for men and women of about 66 years.

8. *Allowance for administrative expense.*—An allowance of $1 per year per member, including retired members, is made for administrative expense.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

It will be seen from the balance sheet figures that in respect to women the present value of benefits greatly exceeds the present value of title VIII taxes. This is because women receive relatively low average taxable wages, and many of them withdraw from gainful employment long before reaching age 65. The cost of the benefits expressed as a percentage of annual taxable wages is very high in respect to all qualified individuals who will reach age 65 with relatively low aggregate wage credits. This will be true of men who are only intermittently in covered employment and of all insured employees who are now near the age of retirement. The system is no doubt fully self-supporting in respect to those who will be regularly employed in covered industries until they permanently withdraw from gainful employment.

On the basis of the valuation assumptions, the total annual cost of the system as determined on an actuarial reserve basis exceeds the annual tax receipts under title VIII of the act by annual amounts equivalent to about sixty-four hundredths of one percent of the aggregate annual earnings taxable under title VIII. However, as has been pointed out above, some of the valuation assumptions are necessarily highly arbitrary and for this reason it is believed that the estimated discrepancy of about 12 percent between future costs and future income (title VIII taxes plus interest on reserve) may be well within the margin of error in estimates based upon such assumptions and extending so far into the future. When the act has been in operation for several years it will be possible to make much more accurate estimates of the relationship between benefits and title VIII taxes.

TREASURY ACTIVITIES UNDER THE EMERGENCY RELIEF APPROPRIATION ACTS

The Treasury activities begun under the earlier Emergency Relief Appropriation Acts were continued in somewhat modified form during the year under allocations received from funds made available by the Emergency Relief Appropriation Act of 1937. The following table shows as of June 30, 1938, the amounts of allocations to Treasury projects under the several acts, and total obligations and voucher payments for each allocation. Further information on these projects may be obtained in reports of the various bureaus and divisions included in this report and in previous annual reports of the Secretary of the Treasury.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Allocations to projects, obligations, and voucher payments to June 30, 1938

Description		Allocations by the President (warrants issued)	Obligations	Total voucher payments (checks issued)
Administrative expenses	1935 act	$26,628,626.94	$26,623,941.88	$26,614,865.47
	1936 act	30,750,000.00	30,509,246.15	30,441,060.94
	1937 act	16,800,000.00	16,315,514.09	15,072,016.82
Subtotal		74,178,626.94	73,446,702.12	72,127,943.23
Coast Guard	1935 act	4,811,900.26	4,809,341.18	4,766,942.58
Internal revenue tax survey [1]	1935 act	4,424,231.50	4,397,458.22	4,396,192.93
	1936 act	4,123,350.58	3,941,063.11	3,915,710.76
	1937 act	1,425,309.00	1,382,806.13	1,355,562.98
Subtotal		9,972,891.08	9,721,327.46	9,667,466.67
Procurement Division:				
Decoration of Federal buildings	1935 act	681,521.44	664,935.40	664,519.50
	1937 act	90,000.00	89,494.92	79,620.62
Work relief supply fund	1935 act	60,000.00	20,836.97	20,836.97
Reimbursable from projects	1935 act		[2] *20,836.97*	
Work relief supply fund, 1938	1937 act	2,000,000.00	843,627.57	843,627.57
Reimbursable from projects	1937 act		[2] *843,627.57*	
Subtotal		2,831,521.44	754,430.32	[3] 1,608,604.66
Public Health Service:				
Grants for services in flood areas	1936 act	875,996.01	875,993.91	875,044.73
Health surveys	1935 act	2,719,985.57	2,719,937.31	2,719,207.35
	1936 act	1,270,036.02	1,270,035.27	1,260,343.08
	1937 act	316,713.00	315,275.04	301,071.89
Hot Springs Transient Medical Center Infirmary	1935 act	163,266.00	156,022.95	117,304.04
Subtotal		5,345,996.60	5,337,264.48	5,272,971.09
Total		97,140,936.32	94,069,065.56	93,443,928.23

		Voucher payments (checks issued)		
		Fiscal years 1935 and 1936	Fiscal year 1937	Fiscal year 1938
Administrative expenses	1935 act	$22,054,287.92	$4,517,134.14	$43,443.41
	1936 act		24,475,429.71	5,965,631.23
	1937 act			15,072,016.82
Subtotal		22,054,287.92	28,992,563.85	21,081,091.46
Coast Guard	1935 act	1,446,602.59	2,739,118.86	581,221.13
Internal revenue tax survey [1]	1935 act	3,915,380.21	475,903.15	4,909.57
	1936 act		3,828,247.52	87,463.24
	1937 act			1,355,562.98
Subtotal		3,915,380.21	4,304,150.67	1,447,935.79
Procurement Division:				
Decoration of Federal buildings	1935 act	224,883.47	421,870.33	17,765.70
	1937 act			79,620.62
Work relief supply fund	1935 act	2,470,450.81	[2] *1,513,579.47*	[2] *986,034.37*
Work relief supply fund, 1938	1937 act			843,627.57
Subtotal [3]		2,695,334.28	[2] *1,091,709.14*	4,979.52
Public Health Service:				
Grants for services in flood areas	1936 act		414,309.50	460,735.23
Health surveys	1935 act	2,412,320.56	287,402.82	19,483.97
	1936 act		1,194,646.30	65,696.78
	1937 act			301,071.89
Hot Springs Transient Medical Center Infirmary	1935 act			117,304.04
Subtotal		2,412,320.56	1,896,358.62	964,291.91
Total		32,523,925.56	36,840,482.86	24,079,519.81

[1] Comprises projects administered by the Bureau of Internal Revenue and the Division of Research and Statistics.

[2] Excess of credits (deduct).

[3] Includes net payments made from work relief supply fund amounting to $864,464.54 not yet reimbursed by governmental agencies for which purchases were made, less unliquidated obligations of the Procurement Division.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

NONFISCAL ACTIVITIES

Coast Guard

The Coast Guard, as the Federal maritime police agency, has carried out its duties in the interrelated fields of law enforcement; in assisting, saving, and protecting life and property; and in the maintenance of a state of preparedness for national defense. The Service, with its shore units located at strategic points on the coasts of the United States and its vessels operating upon the high seas and on the coastal and navigable waters of the United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, has been in a position to give effective prosecution to the duties embraced within its field of public service, and its facilities have been employed in assisting other branches of the Government in meeting emergencies and in the performance of tasks involving the services of vessels and aircraft.

Its activities include prevention of the smuggling of liquor, narcotics, and other contraband; patrol of the waters of the North Pacific Ocean and Bering Sea and southeastern Alaska in the enforcement of laws and regulations for the protection of the fur seal, sea otter, and fisheries, and of certain other laws in Alaska; patrol in the enforcement of the Northern Pacific Halibut Act; enforcement of the Whaling Treaty Act; supervision of the anchorage and movements of vessels at ports and other places where Federal regulations are in force; enforcement of the customs, navigation, motorboat, and other related laws of the United States; International Service of Ice Observation and Ice Patrol in the North Atlantic Ocean; winter patrol of the coast to aid vessels and persons in distress; removal of derelicts and other obstructions to navigation from the paths of marine commerce; patrol of regattas and marine parades; and the saving and protection of life and property at sea and along the coasts.

During 1938 the smuggling of liquor and alcohol was not, as in former years, a major problem to the Coast Guard, but the utmost vigilance was demanded. Only 12 instances of the presence of foreign hovering vessels were noted, largely in the New England area, and quick action was taken by the Coast Guard to frustrate landing.

In the campaign against the smuggling of narcotics, over 4,430 vessels were kept under surveillance upon entering United States waters or while within territorial jurisdiction. Special patrols covered Delaware Bay and Delaware River, Chesapeake Bay, and the Jacksonville and New Orleans areas.

During the year there were 8,643 lives saved or rescued from peril, the largest number in the history of the Service. In April 1938, men and equipment were dispatched to the flooded area in Alabama to assist in the relief work.

A more detailed account of the operations of the Coast Guard will be found on pages 116 to 126 of this report.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Public Health Service

Health conditions in 1937 and the first half of 1938 remained unusually favorable. According to provisional tabulations the death rate for 1937 was 11.2 per 1,000 population as compared with the final rate of 11.5 for 1936. A continued decline in infant and maternal mortality, and a resumption of the decline in tuberculosis mortality were noted. New low death rates were recorded during 1937 for typhoid fever, scarlet fever, diphtheria, tuberculosis, malaria, pellagra, nephritis, and diseases associated with pregnancy and childbirth. The leading causes of death, according to preliminary data, were diseases of the heart, cancer, pneumonia, cerebral hemorrhage, nephritis, accidents (except automobile), and tuberculosis, in the order named.

The stimulating effect of Federal aid, under the provisions of title VI of the Social Security Act, upon State and local health services was particularly noticeable in the expansion of public health facilities, the increase in both State and local appropriations for such work, and the improvement in qualifications of technical and professional personnel engaged in public health work. Particularly gratifying progress was made in the extension of rural health services and in the recruiting and training of additional State and local personnel. The current appropriation and balances from the preceding appropriation provided approximately $9,000,000 for allotment to the States for health work under title VI of the Social Security Act, and practically all of this was paid to the States on the basis of budgets submitted by the State health departments and approved by the Surgeon General. A full account of the public health work conducted under the health provisions of the Social Security Act is to be found on page 216 of this report.

Under the stimulus given last year by the Public Health Service, the fight against the venereal diseases has gone forward with accumulating momentum. Health authorities, medical groups, educators, and religious and other organizations have increased their efforts and employed all educational mediums to acquaint the public with the serious nature of these diseases and the proper measures for control. Through increased State and local appropriations and the allotment of Federal funds under title VI of the Social Security Act, many States and localities have expanded their facilities for diagnosis and treatment of these diseases. An added impetus in the fight to reduce and control syphilis and gonorrhea in the United States was given by the Seventy-fifth Congress when it passed the Venereal Disease Control Act, appropriating $3,000,000 to carry out the provisions of the act

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

during the fiscal year 1939, and authorizing increasing future appropriations. This legislation, by providing Federal assistance to the States and making the control of venereal diseases definitely a concern of the National Government, should give the vast army of health authorities, physicians, public officials, and the citizens the necessary encouragement and stimulation to make successful the concerted attack on these diseases.

Two outstanding events marked material progress in the provision of facilities for research—the organization of the National Cancer Institute and the culmination of plans for the erection of a group of new buildings for the National Institute of Health near Bethesda, Md., the cornerstone of the first structure having been laid on June 30, 1938.

In the conduct of national quarantine activities especial attention was directed to air traffic between the Orient and the West Coast and between South America and the South Atlantic Coast. The Quarantine Regulations were amended to prevent the importation of potential disease vectors in bacteria cultures and infected animals and plants. Unsettled conditions in Europe caused a considerable increase in applications for immigration visas and necessitated the detail of additional officers to American consulates abroad.

The United States Public Health Service hospital (narcotic farm) at Lexington, Ky., operated at full capacity during the year, admitting 950 patients, discharging 955, and having a daily average of 949. The initial group of buildings for the second institution, at Fort Worth, Tex., was completed and the medical officer in charge was assigned to duty, preparatory to opening the institution for the reception of patients in October 1938.

Many improvements were effected in the facilities for the medical care of Public Health Service beneficiaries at the marine hospitals and relief stations, as the result of funds made available for additional personnel and equipment and the adoption of new methods of treatment, such as the use of sulfanilamide. This splendid service has been afforded beneficiaries at a per diem cost of $3.56.

With the aid of collaborators from the Children's Bureau and the Bureau of the Census, the Public Health Service made a comprehensive study of the Health Department and other health agencies of the District of Columbia, including the municipal hospital, as a result of which appropriate suggestions were made for correcting the deficiencies disclosed by the survey.

The activities of the Public Health Service are more fully presented on pages 216 to 230.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Bureau of Narcotics

The Bureau of Narcotics continued during the year the policy of directing its principal enforcement activities against the chief violators of the domestic narcotic laws, cooperating with customs authorities in curbing the smuggling of drugs into the United States, and of soliciting the cooperation of State and municipal law enforcement agencies in dealing with the peddler and the addict, and in prosecuting minor infractions of the narcotic laws. The same policy was adopted with respect to the enforcement of the Marihuana Tax Act of 1937, which became effective on October 1, 1937.

Diversion of drugs from legitimate to illicit channels through the robberies of narcotic stocks, the forgery and false execution of narcotic prescriptions, and the improper prescribing and dispensing of narcotics continued to be an enforcement problem. The cases against persons registered under the Harrison Narcotic Law, as amended, were only 14 percent of the total cases reported under the narcotic laws during the year, compared with 23 percent during 1937. There were only 2 cases against persons registered under the Marihuana Tax Act out of a total of 846 cases reported under that act.

The Uniform State Narcotic Law was enacted during the year by the State of Michigan and the District of Columbia, making a total of 39 States and the District of Columbia in which this law had been enacted, with little or no amendment, prior to July 1, 1938. This act, when adopted by a State, complements the Federal laws and renders more effective the cooperation of State and municipal law enforcement agencies.

A more complete account of the activities of the Bureau will be found on pages 187 to 191 of this report.

CHANGES IN ORGANIZATION AND PROCEDURE

During the year a number of changes were made in the organization of the Bureau of Internal Revenue, looking to the more expeditious dispatch of its business and the greater convenience of taxpayers. The audit and disposition of tax returns under title VIII of the Social Security Act was transferred from the Bureau to collectors' offices, the Social Security Tax Unit was abolished as a separate subdivision of the Bureau, and the administration of the tax provisions under titles VIII and IX of the Social Security Act and under the Carriers Taxing Act of 1937 was transferred to the Accounts and Collections Unit. Plans were perfected also for the complete decentralization of income, excess-profits, estate, and gift tax collection, which it is expected will be placed fully in effect during the ensuing year. These plans contemplate the establishment of a number of regional divisions in which tax cases will be given final consideration locally,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

instead of requiring their submission to the Bureau at Washington. Three such regional offices have been established already—one on the Pacific coast, embracing the States of Washington, Oregon, California, Idaho, Montana, Utah, Nevada, and Arizona, and the Territories of Alaska and Hawaii; the second at New York City, covering the State of New York; and the third at Chicago, including the States of Illinois, Indiana, Wisconsin, Minnesota, North Dakota, and South Dakota.

Under the provisions of Treasury Department Order No. 18, March 25, 1938, there were established in the Office of the Secretary a Division of Monetary Research and a Division of Tax Research, the functions of the divisions being set forth in the order, which is shown as exhibit 59 on page 329 of this report. Except with respect to the functions transferred to the newly established divisions, the Division of Research and Statistics continues to perform the duties outlined in Treasury Department Order No. 8 of September 17, 1934.

Attention is invited to the attached reports of bureaus and divisions of the Treasury Department and to the exhibits and tables accompanying the report on the finances.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ADMINISTRATIVE REPORTS OF BUREAUS AND DIVISIONS

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

OFFICE OF THE COMMISSIONER OF ACCOUNTS AND DEPOSITS

The Office of the Commissioner of Accounts and Deposits has administrative supervision over the Division of Bookkeeping and Warrants and its relations to the office of the Treasurer of the United States, over the Division of Disbursement, the Division of Deposits, and the Section of Surety Bonds. It prepares periodic estimates of the future cash position of the Treasury for use of the Department in connection with its financing; prepares calls for the withdrawal of funds from special depositaries to meet current expenditures; directs the transfer of Government funds between Federal Reserve banks when necessary; directs fiscal agency functions in general, including deposits of gold certificates in the gold certificate fund for credit with Federal Reserve banks; supervises collections of principal and interest on foreign obligations; keeps the accounts, and handles generally matters relating to the indebtedness of foreign governments to the United States, including matters arising under funding agreements; supervises collections of railroad obligations owned by the Government, and keeps the accounts relating thereto; handles the collection of other obligations owned by the United States which are turned over to the Treasury by other departments for collection; and makes payments, keeps accounts, and handles matters generally relating to awards under the Settlement of War Claims Act of 1928, under the claims agreement of October 25, 1934, between the United States and Turkey, and under the act of April 10, 1935, covering claims against the Republic of Mexico. The Commissioner likewise exercises supervision, under direction of the Secretary of the Treasury, over the investment accounts of the Government, including investments held in the old-age reserve account, unemployment trust fund, and railroad retirement account, and is responsible for the proper custody of investments and securities held by the Treasurer of the United States and the Federal Reserve banks for which the Secretary is responsible, other than those related to public debt operations. The Commissioner also has supervision over the emergency accounting organization set-up in the several States under the Emergency Relief Appropriation Acts of 1935, 1936, 1937, and 1938.

Daily statement of the United States Treasury

During the year important changes were made in the manner in which the expenditures of the Government are classified in the daily statement of the Treasury. For a number of years prior to July 1, 1937, expenditures under general and special accounts were classified as "general" to represent the usual expenditures of the Government, and as "recovery and relief" (and as "emergency") to represent expenditures beginning in the fiscal year 1932 and continuing thereafter, identified with governmental activities arising out of the economic emergency existing during that period. Beginning with the statement of July 1, 1937, expenditures under general and special accounts

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

were classified as (I) general, (II) recovery and relief, (III) revolving funds (net), (IV) transfers to trust accounts, etc., and (V) debt retirements (sinking fund, etc.).

Further important changes in the manner of classifying expenditures as shown in the daily statement were initiated beginning July 1, 1938. These changes are summarized in the following extract from the announcement accompanying the daily statement for July 1, 1938:

> Effective July 1, 1938, the financial transactions of the Reconstruction Finance Corporation, Commodity Credit Corporation, and Export-Import Bank of Washington will be reflected on page 3 of daily Treasury statements. Heretofore, such transactions have been included in the expenditures on page 2 of daily Treasury statements (commonly associated with the Federal Budget) on a *net* basis, i. e., checks paid by the Treasurer of the United States less receipts deposited by such corporations in their disbursing accounts with the Treasurer. The purpose of this change is to simplify the daily Treasury statement, and to eliminate confusion and misunderstanding concerning the effect of such corporations' transactions on the Federal Budget, particularly in cases where the Treasury acts only in the nature of a depositary of funds derived by the Corporations from the sale of their own obligations on the market.

The complete text of the announcement which accompanied the statement for July 1, 1938, is shown as exhibit 65 on page 347 of this report.

Combined statement of assets and liabilities of governmental corporations and credit agencies

A combined statement of assets and liabilities of governmental corporations and credit agencies as of June 30, 1938, will be found as table 49 on page 530 of this report. This statement is published monthly in the Daily Statement of the United States Treasury, as required by Executive Order No. 6869 of October 10, 1934. A summary statement of the proprietary interest of the United States in such corporations and credit agencies as of June 30, 1929 to 1938, inclusive, appears as table 50 on page 536.

Securities owned by the United States Government

The aggregate amount of securities owned by the Government on June 30, 1938, based upon the latest reports received, was $15,566,304,543.85, as against $17,606,022,695.57 on June 30, 1937, a decrease of $2,039,718,151.72. A summary comparison of the holdings at the end of each fiscal year follows. A detailed statement of the securities held on June 30, 1938, will be found as table 48 on page 527.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Summary of securities owned by the United States on June 30, 1937 and 1938

Security	June 30, 1937	June 30, 1938	Increase or decrease (−)
Foreign obligations	$12,014,847,669.94	$12,016,711,737.24	$1,864,067.30
Capital stock of war emergency corporations	33,614,594.86	33,515,915.88	−98,678.98
Capital stock, etc., of other governmental corporations and credit agencies:			
Reconstruction Finance Corporation (Capital stock and notes, less funds expended for subscriptions to capital stock of other governmental corporations and funds disbursed to other governmental agencies for making loans included below.)	3,303,389,546.17	[1] 1,270,093,240.73	[1] −2,033,296,305.44
Capital stock and paid-in surplus of the Federal National Mortgage Association		11,000,000.00	11,000,000.00
Home Owners' Loan Corporation bonds	25,000,000.00	15,000,000.00	−10,000,000.00
Capital stock of the regional agricultural credit corporations	15,000,000.00	5,000,000.00	−10,000,000.00
Capital stock of Federal home loan banks	120,514,000.00	124,741,000.00	4,227,000.00
Capital stock of the United States Housing Authority		1,000,000.00	1,000,000.00
United States Housing Authority notes		4,000,000.00	4,000,000.00
Capital stock of the Disaster Loan Corporation	6,000,000.00	10,000,000.00	4,000,000.00
Capital stock (preferred and full-paid income shares) of Federal savings and loan associations	48,183,700.00	47,802,700.00	−381,000.00
Capital stock of the Tennessee Valley Associated Cooperatives, Inc.		1,000.00	1,000.00
Capital stock and paid-in surplus of Federal land banks	262,225,213.78	299,939,486.31	37,714,273.53
Capital stock of banks for cooperatives	90,000,000.00	96,000,000.00	6,000,000.00
All other	985,860,000.00	985,860,000.00	
Total	4,856,172,459.95	2,870,437,427.04	−1,985,735,032.91
Other obligations and securities:			
Railroad obligations	30,230,232.55	30,230,232.55	
Obligations acquired by the Federal Emergency Administration of Public Works	128,488,708.59	36,311,879.85	−92,176,828.74
Notes received by the Farm Credit Administration evidencing outstanding advances made from the revolving fund created by the Agricultural Marketing Act	111,386,896.35	94,825,898.95	−16,560,997.40
Securities received from the Reconstruction Finance Corporation		2,774,400.00	2,774,400.00
Securities received by the Secretary of the Navy	4,784,715.69	4,707,805.83	−76,909.86
Securities received by the United States Maritime Commission	93,470,611.87	66,851,877.41	−26,618,734.46
Obligations of farmers for seed, feed, and drought-relief loans	156,161,936.94	152,060,950.52	−4,100,986.42
Obligations of farmers for crop-production loans	32,979,456.87	32,470,932.82	−508,524.05
Obligations of joint stock land banks	116,996.96	55,553.78	−61,443.18
Securities received by the Farm Security Administration	127,668,516.45	169,372,670.78	41,704,154.23
Securities received by the Rural Electrification Administration	11,864,836.86	50,169,344.17	38,304,507.31
Securities received by the Puerto Rico Reconstruction Administration	3,700,593.21	3,897,142.09	196,548.88
Securities received by the Secretary of the Interior, loans to Indians	534,468.48	1,910,774.94	1,376,306.46
Total	701,387,970.82	645,639,463.69	−55,748,507.13
Grand total	17,606,022,695.57	15,566,304,543.85	−2,039,718,151.72

[1] See p. 19.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Contingent liabilities of the United States

A summary statement of the contingent liabilities of the United States as of June 30, 1937 and 1938, and the change between the two dates is shown below. A detailed statement of such liabilities as of June 30, 1938, and a description of them appear as table 44 on page 520.

Agency	Obligation	Total amount of contingent liability		Increase or decrease (−)
		June 30, 1937	June 30, 1938	
Commodity Credit Corporation.	Notes		$206,428,192.21	$206,428,192.21
Federal Farm Mortgage Corporation.	Bonds, various issues	$1,431,256,530.17	1,418,740,648.56	−12,515,881.61
Federal Housing Administration.	Debentures	91,212.72	592,284.80	501,072.08
Home Owners' Loan Corporation.	Bonds, various issues	3,007,049,722.33	2,953,299,482.56	−53,750,239.77
Reconstruction Finance Corporation.	Notes, various issues	256,191,418.26	299,072,398.75	42,880,980.49
Postal Savings System	Funds due depositors	[1] 1,299,758,852.95	[1] 1,294,627,336.18	−5,131,516.77
Federal Reserve System	Federal Reserve notes	4,196,006,553.25	4,139,147,770.18	−56,858,783.07

[1] On basis of latest figures received as of these dates.

Accounting and disbursing of emergency relief funds

Under section II (A) of Executive Order No. 7034, dated May 6, 1935, and Department Circular No. 543, approved by the President, the Commissioner of Accounts and Deposits continued during the year to maintain accounting and disbursing facilities for handling allocations made by the President under the Emergency Relief Appropriation Acts. The provisions of section II (A) of Executive Order No. 7034 were extended by Executive Orders Nos. 7396 and 7649, to apply to funds appropriated in the Emergency Relief Appropriation Acts of 1936 and 1937.

In addition to the 56 Treasury-State accounts offices and 55 Treasury-State disbursing offices, there were 28 branch accounts offices and an equal number of branch disbursing offices at the beginning of the fiscal year. During the year, through the cooperation of the Works Progress Administration, the number of Treasury-State accounts offices was reduced to 55 and the number of branch accounts and disbursing offices was reduced to 6 offices of each class. As a result of the discontinuance of these branches and the consolidation of the work in the central State offices and as a result of administrative economies, a reduction in personnel of 2,087 employees was effected in the Treasury-State accounts and disbursing offices.

At the close of the year, over 238,000 separate project accounts were maintained on the books of the Treasury-State accounts offices for various administrative agencies. Of these accounts nearly 63,000 were active. In addition, there were maintained on the books of the Treasury-State accounts offices over 812,000 individual accounts of Farm Security (formerly Resettlement) borrowers, of which approximately 686,000 were active. In connection with the maintenance of such accounts, the Treasury-State accounts offices prepared over 2,470,000 bills to borrowers for amounts due.

From the beginning of the program in 1935, accounts of disbursing officers have been rendered to the General Accounting Office as of the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

10th, 20th, and last day of each month. During the fiscal year 1938, pursuant to the President's letter of November 20, 1935, nearly 5,000 disbursing and collection accounts (including branch office accounts) were administratively examined by the Central Treasury Accounts Office prior to their transmission to the General Accounting Office for audit and settlement.

The practice inaugurated at the beginning of the program of compiling complete financial reports every 10 days for the President, administrative agencies, and others concerned, with respect to the financial status of the funds provided in the Emergency Relief Appropriation Acts of 1935, 1936, and 1937, was continued during the year. In addition to these 10-day reports, there have also been compiled nine detailed reports showing the status of the funds. A cumulative summary of such reports is given below:

Cumulative summary of data contained in 9 reports on the financial status of funds provided in the Emergency Relief Appropriation Acts of 1935, 1936, and 1937

Date of report	Appropriated by Congress	Allocated by the President	Obligations incurred	Disbursements (checks issued)	Total unexpended balances
1. Dec. 31, 1935	$4,300,000,000	$4,236,981,642	$2,340,856,001	$1,672,394,306	$2,627,605,694
2. Mar. 10, 1936	4,434,000,000	4,426,079,008	3,282,083,647	2,301,156,714	2,132,843,286
3. Mar. 31, 1936	4,576,570,000	4,508,412,285	3,466,159,327	2,515,082,158	2,061,487,842
4. June 30, 1936	4,679,473,143	4,668,159,883	4,249,875,094	3,424,564,516	1,254,908,627
5. Dec. 31, 1936	6,121,472,550	6,094,290,585	5,670,204,883	4,983,215,447	1,138,257,103
6. Mar. 31, 1937	6,921,068,922	6,721,882,755	6,179,319,789	5,628,496,826	1,292,572,096
7. June 30, 1937	6,927,011,145	6,914,991,471	6,721,666,937	6,285,073,448	641,937,697
8. Dec. 31, 1937	8,422,078,684	7,927,283,396	7,473,887,801	7,191,023,323	1,231,055,361
9. June 30, 1938	8,656,321,646	8,655,121,646	8,553,683,922	8,286,313,827	[1] 370,007,819

[1] The unobligated balance on June 30, 1938, was $102,637,724.

The reports to the Congress were submitted within 9 days after the close of the calendar year and contained detailed information with respect to the operations under the Emergency Relief Appropriation Acts classified according to act limitations, organization units, States in which the work was done, types of work, objects of expenditures, and by fiscal years.

A summary report of the status of the funds under the Emergency Relief Appropriation Acts of 1935, 1936, and 1937, as of June 30, 1938, is contained in table 24, page 465. Similar information as of the close of each month is published in the daily Treasury statement for the 15th of the month next following.

Federal savings and loan associations

Under the act of June 13, 1933 (48 Stat. 133), the Secretary of the Treasury was authorized on behalf of the United States to subscribe for preferred shares in Federal savings and loan associations upon request of the Federal Home Loan Bank Board. The amendment of April 27, 1934 (48 Stat. 645), to the Home Owners' Loan Act of 1933 further authorized the Secretary to subscribe for full-paid income shares in these associations. An appropriation of $50,000,000 to enable the Secretary of the Treasury to purchase the preferred and full-paid income shares was reduced by an allocation of $700,000 to the Federal Home Loan Bank Board. The details concerning the provisions of law under which these subscriptions were made and the appropriations are contained in the annual report for 1936.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The Home Owners' Loan Corporation also was authorized to purchase full-paid income shares of Federal savings and loan associations after the funds available to the Secretary of the Treasury for the purchase of such shares had been exhausted. The funds available to the Secretary of the Treasury were exhausted on October 25, 1935.

During the fiscal year 1938, the sum of $381,000 was received on account of shares repaid, making the total shares repaid to June 30, 1938, $1,497,300.

The following statement shows a summary of the transactions in connection with the subscriptions by the Secretary of the Treasury to preferred and full-paid income shares in these associations:

Preferred and full-paid income shares of Federal savings and loan associations subscribed by the Secretary of the Treasury to June 30, 1938, and dividends received

[Par value of shares]

	Preferred shares	Full-paid income shares	Total
Total shares subscribed and paid	$637,800	$48,662,200	$49,300,000.00
Shares held on June 30, 1937	40,500	48,143,200	48,183,700.00
Less shares repaid during fiscal year 1938	22,000	359,000	381,000.00
Shares held on June 30, 1938	18,500	47,784,200	47,802,700.00
Dividends received on preferred and full-paid income shares:			
To June 30, 1937			3,013,237.90
Fiscal year 1938			1,738,675.64
To June 30, 1938			4,751,913.54

Federal home loan banks

The Federal Home Loan Bank Act, approved July 22, 1932 (47 Stat. 728), provides that the Secretary of the Treasury shall subscribe, on behalf of the United States, for such part of the minimum capital of each of the 12 Federal home loan banks as is not subscribed for by members within 30 days after books have been opened for stock subscriptions. The aggregate amount authorized to be expended for this purpose was $125,000,000, and so much of such sum as was necessary was made available by the Reconstruction Finance Corporation. Further details concerning the provisions of the act of July 22, 1932, are contained in the annual report for 1936. Pursuant to the act approved February 24, 1938, the Secretary of the Treasury canceled notes of the Reconstruction Finance Corporation aggregating $126,301,906.17, equivalent to the amount of funds advanced by the Corporation, plus interest paid to the Treasury on account of such notes.

The Federal Home Loan Bank Board made calls for payments on account of subscription aggregating $4,227,000 during the fiscal year. The dividends received during the year aggregated $1,866,882.25.

The following statement shows a summary of the transactions in connection with the subscriptions by the Secretary of the Treasury to stock of Federal home loan banks:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Subscriptions by the Secretary of the Treasury to stock of the Federal home loan banks to June 30, 1938, and dividends received thereon

[Par value of shares]

Federal home loan bank	Total shares subscribed	Shares held June 30, 1937	Shares paid fiscal year 1938	Shares held June 30, 1938
Boston	$12,467,500	$11,450,000	$1,017,500	$12,467,500
New York	18,963,200	16,000,000	2,963,200	18,963,200
Pittsburgh	11,146,300	10,900,000	246,300	11,146,300
Winston-Salem	9,208,200	9,208,200		9,208,200
Cincinnati	12,775,700	12,775,700		12,775,700
Indianapolis	6,577,400	6,577,400		6,577,400
Chicago	14,173,900	14,173,900		14,173,900
Des Moines	7,394,900	7,394,900		7,394,900
Little Rock	8,772,400	8,772,400		8,772,400
Topeka	7,333,600	7,333,600		7,333,600
Portland	5,960,000	5,960,000		5,960,000
Los Angeles	9,967,900	9,967,900		9,967,900
Total	124,741,000	120,514,000	4,227,000	124,741,000

Federal home loan bank	Dividends received to June 30, 1937	Dividends received fiscal year 1938	Dividends received to June 30, 1938
Boston	$295,234.04	$176,208.07	$471,442.11
New York	784,205.70	332,383.05	1,116,588.75
Pittsburgh	613,364.98	109,283.41	722,648.39
Winston-Salem	419,777.71	91,965.58	511,743.29
Cincinnati	924,721.79	255,514.00	1,180,235.79
Indianapolis	377,664.59	98,661.00	476,325.59
Chicago	811,253.45	283,478.00	1,094,731.45
Des Moines	338,631.38	147,783.93	486,415.31
Little Rock	375,856.56	87,724.00	463,580.56
Topeka	166,744.60	73,171.96	239,916.56
Portland	188,140.88	87,150.00	275,290.88
Los Angeles	153,655.60	123,559.25	277,214.85
Total	5,449,251.28	1,866,882.25	7,316,133.53

Federal land banks

Capital stock.—Under the act of January 23, 1932, amending the Federal Farm Loan Act, as amended, it is the duty of the Secretary of the Treasury on behalf of the United States, upon the request of the board of directors of any Federal land bank made with the approval of the Farm Credit Administration, to subscribe from time to time for capital stock of such bank. The act further provides that such stock may at any time, in the discretion of the directors and with the approval of the Farm Credit Administration, be paid off at par and retired in whole or in part and that the Farm Credit Administration may at any time require such stock to be paid off at par and retired in whole or in part if in its opinion the bank has resources available for such purpose. The proceeds of all repayments on account of stock subscribed for by the Secretary of the Treasury are held in the Treasury and are available for the purpose of paying for other stock thereafter issued pursuant to said act.

To enable the Secretary of the Treasury to pay for said stock, $125,000,000 was appropriated under the act approved February 2, 1932. The following statement shows a summary of the transactions in connection with the subscriptions by the Secretary of the Treasury to stock of Federal land banks:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Subscriptions by the Secretary of the Treasury to stock of Federal land banks to June 30, 1938

[Par value of shares]

Federal land banks	Shares held June 30, 1937	Shares subscribed fiscal year 1938	Shares repaid fiscal year 1938	Shares held June 30, 1938
Springfield	$5,256,630		$49,420	$5,207,210
Baltimore	7,331,415		33,750	7,297,665
Columbia	15,667,695		15,770	15,651,925
Louisville	5,734,360		56,150	5,678,210
New Orleans	16,693,650		20,775	16,672,875
St. Louis	7,977,070		108,700	7,868,370
St. Paul	21,552,830	$5,500,000	66,245	26,986,585
Wichita	5,747,795		67,235	5,680,560
Houston	7,326,840		62,875	7,263,965
Berkeley	5,189,015		61,310	5,127,705
Omaha	6,203,735		179,545	6,024,190
Spokane	15,383,710		41,450	15,342,260
Total	120,064,745	5,500,000	763,225	124,801,520

Payments on account of reduction in interest rates on mortgages and subscriptions to paid-in surplus.—The Secretary of the Treasury is directed, under certain conditions, to make payments to Federal land banks equal to the amount by which interest payments on mortgages held by such banks have been reduced pursuant to the Federal Farm Loan Act, as amended, and he is also to subscribe, under specified conditions and in the manner prescribed by the Federal Farm Loan Act, as amended, to the paid-in surplus of each Federal land bank an amount equal to the amount of all extensions and deferments of any obligation that may be or may become unpaid under the terms of any mortgage. A description of the basis of these payments is given on page 70 of the annual report for 1936.

The period for which payments to Federal land banks on account of reduction in interest rates may be made was extended to June 30, 1939, pursuant to Public No. 209, enacted July 22, 1937. Amendments to the law under which subscriptions are made to the paid-in surplus of the Federal land banks are contained in the Farm Credit Act of 1937, approved August 19, 1937.

A statement as of June 30, 1938, of the amounts appropriated on account of reduction in interest rates on mortgages and of payments to Federal land banks for this purpose is as follows:

***Appropriations** on account of reduction in interest rates on mortgages, and payments to Federal land banks for this purpose to June 30, 1938*

1. Amounts appropriated:	
To June 30, 1937	$88,950,000.00
Third Deficiency Appropriation Act, 1937, Aug. 25, 1937	15,000,000.00
First Deficiency Appropriation Act, 1938, Mar. 5, 1938	16,700,000.00
Total to June 30, 1938	120,650,000.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

2. Payments to Federal land banks:

Federal land bank	Amount paid to June 30, 1937	Amount paid fiscal year 1938	Amount paid to June 30, 1938
Springfield	$2,970,050.51	$1,179,450.60	$4,149,501.11
Baltimore	3,801,731.69	1,348,874.10	5,150,605.79
Columbia	3,544,351.73	1,282,988.69	4,827,340.42
Louisville	8,401,246.11	3,219,878.27	11,621,124.38
New Orleans	5,044,824.29	1,656,030.21	6,700,854.50
St. Louis	6,993,136.41	2,829,543.98	9,822,680.39
St. Paul	10,996,518.68	4,803,977.20	15,800,495.88
Wichita	6,579,082.04	2,667,434.86	9,246,516.90
Houston	9,571,687.30	3,615,014.56	13,186,701.86
Berkeley	4,683,874.85	1,920,768.99	6,604,643.84
Omaha	13,374,986.53	5,770,835.57	19,145,822.10
Spokane	5,440,509.77	1,819,236.18	7,259,745.95
Total	81,401,999.91	32,114,033.21	113,516,033.12

3. Amount available for expenditure June 30, 1938 $7,133,966.88

A statement as of June 30, 1938, of the amounts appropriated for subscriptions to the paid-in surplus of Federal land banks on account of extensions and deferments, and payments to Federal land banks for this purpose, follows:

Appropriations for subscriptions to the paid-in surplus of Federal land banks on account of extensions and deferments, and payments for this purpose to June 30, 1938

1. Amounts appropriated:
To June 30, 1937 $189,000,000.00

Total to June 30, 1938 189,000,000.00

2. Payments to Federal land banks:

Federal land bank	Amount paid to June 30, 1937	Amount paid fiscal year 1938	Amount paid to June 30, 1938
Springfield	$8,313,734.30	$1,975,015.13	$10,288,749.43
Baltimore	2,917,535.44	1,678,916.96	4,596,452.40
Columbia	6,672,387.06	1,794,568.27	8,466,955.33
Louisville	8,394,084.52	1,908,890.37	10,302,974.89
New Orleans	14,280,956.94	1,190,502.70	15,471,459.64
St. Louis	10,858,658.28	1,831,188.74	12,689,847.02
St. Paul	18,377,685.37	6,991,486.45	25,369,171.82
Wichita	12,999,512.80	2,021,493.00	15,021,005.80
Houston	9,209,600.00	2,678,000.00	11,887,600.00
Berkeley	15,162,347.84	4,650,253.28	19,812,601.12
Omaha	21,352,706.95	4,683,197.36	26,035,904.31
Spokane	13,621,259.28	1,573,985.27	15,195,244.55
Total	142,160,468.78	32,977,497.53	175,137,966.31

3. Amount available for expenditure June 30, 1938 $13,862,033.69

Advances to Federal Reserve banks for industrial loans, etc.

Advances to the Federal Reserve banks for industrial loans, etc., were authorized by the act approved June 19, 1934 (48 Stat. 1105), which amended the Federal Reserve Act, as amended, by adding section 13 (b). The provisions under which the Secretary of the Treasury makes these advances were described on page 73 of the annual report for 1936.

Advances made to the banks during the fiscal year 1938 amounted to $125,000. Payments received by the Treasury during the year aggregated $176,829.66.

The following statement is a summary of the transactions in connection with these advances to Federal Reserve banks:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Advances to the Federal Reserve banks for industrial loans and payments received by the Treasury to June 30, 1938

Federal Reserve bank	Maximum payments authorized	Payments made to Federal Reserve banks			Payments received by the Treasury to June 30, 1938
		To June 30, 1937	Fiscal year 1938	To June 30, 1938	
Atlanta	$5,272,031.55	$756,934.44	----------	$756,934.44	$9,065.91
Boston	10,230,236.88	2,875,115.98	----------	2,875,115.98	90,147.75
Chicago	19,748,516.70	1,417,701.33	----------	1,417,701.33	74,345.00
Cleveland	14,146,863.66	1,015,571.33	----------	1,015,571.33	36,641.73
Dallas	4,359,338.10	1,251,788.08	----------	1,251,788.08	73,499.57
Kansas City	4,131,276.30	1,145,717.73	----------	1,145,717.73	20,952.69
Minneapolis	3,509,467.65	1,007,746.96	----------	1,007,746.96	33,313.54
New York	42,529,210.65	7,752,044.63	----------	7,752,044.63	82,987.08
Philadelphia	14,620,883.52	4,198,400.60	----------	4,198,400.60	209,920.03
Richmond	5,808,291.43	3,420,662.05	----------	3,420,662.05	66,714.26
St. Louis	5,093,112.25	547,832.83	----------	547,832.83	4,356.98
San Francisco	9,850,328.30	2,031,795.01	$125,000	2,156,795.01	----------
Total	139,299,556.99	27,421,310.97	125,000	27,546,310.97	701,944.54

Appropriations and expenditures under the Social Security Act

The Social Security Act, approved August 14, 1935, provided, among other things, for the establishment of a system of Federal old-age benefits, and for grants-in-aid to the several States to enable them to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws.

The amounts appropriated to June 30, 1938, under the various authorizations contained in the Social Security Act and total expenditures from such appropriations to June 30, 1938, are shown in the table on page 454.

Obligations of foreign governments

The United States received during the year payments aggregating $588,070.82 on account of the indebtedness of foreign governments, of which $69,000 was for account of principal, $481,009.82 was for account of interest, and $38,061 was for account of annuities under the moratorium agreements. The Government of Finland, in accordance with the provisions of its funding agreement of May 1, 1923, made payment of $69,000 for account of principal and $144,112.50 for account of the semiannual interest due on December 15, 1937, in part with $210,000 face amount of 2½ percent Treasury bonds of 1949–53, which were accepted at par.

The following statement shows the payments due during the period July 1 to December 31, 1937, and the amounts actually paid on account by certain governments:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

AMOUNTS DUE AND PAYABLE, JULY 1 TO DECEMBER 31, 1937

Country	Funding agreements		Moratorium agreements	Total
	Principal	Interest		
Belgium		$4,158,000.00	$484,453.88	$4,642,453.88
Czechoslovakia	$1,500,000.00		182,812.78	1,682,812.78
Estonia	131,000.00	286,265.00	36,585.29	453,850.29
Finland	69,000.00	144,112.50	19,030.50	232,143.00
France		19,261,432.50	3,046,879.72	22,308,312.22
Great Britain	37,000,000.00	75,950,000.00	9,720,765.05	122,670,765.05
Greece	426,000.00	217,920.00	67,137.38	711,057.38
Hungary	13,830.00	33,185.08	4,225.58	51,240.66
Italy		1,245,437.50	896,155.88	2,141,593.38
Latvia	53,900.00	119,609.00	15,274.26	188,783.26
Lithuania		107,783.67	13,683.26	121,466.93
Poland	1,554,000.00	3,582,810.00	456,229.71	5,593,039.71
Rumania			48,750.08	48,750.08
Yugoslavia		38,515.63		38,515.63
Total	40,747,730.00	105,145,070.88	14,991,983.37	160,884,784.25

AMOUNTS ACTUALLY PAID

Finland	$69,000.00	$144,112.50	$19,030.50	$232,143.00
Hungary		9,828.16		9,828.16
Total	69,000.00	153,940.66	19,030.50	241,971.16

The following statement shows payments due during the period January 1 to June 30, 1938, and the amounts actually paid on account:

AMOUNTS DUE AND PAYABLE, JANUARY 1 TO JUNE 30, 1938

Country	Funding agreements		Moratorium agreements	Total
	Principal	Interest		
Belgium	$4,700,000.00	$4,158,000.00	$484,453.88	$9,342,453.88
Czechoslovakia	1,500,000.00		182,812.78	1,682,812.78
Estonia		286,265.00	36,585.29	322,850.29
Finland		142,905.00	19,030.50	161,935.50
France	68,634,249.88	19,261,432.50	3,046,879.72	90,942,562.10
Germany (Austrian indebtedness)	[1] 460,093.00		34,767.23	494,860.23
Great Britain		75,950,000.00	9,720,765.05	85,670,765.05
Greece	432,000.00	217,920.00	67,137.38	717,057.38
Hungary		33,185.08	4,225.58	37,410.66
Italy	14,600,000.00	1,245,437.50	896,155.88	16,741,593.38
Latvia		119,609.00	15,274.26	134,883.26
Lithuania	48,155.00	107,783.67	13,683.26	169,621.93
Poland		3,582,810.00	456,229.71	4,039,039.71
Rumania	2,000,000.00		48,750.08	2,048,750.08
Yugoslavia	400,000.00	38,515.63		438,515.63
Total	92,774,497.88	105,143,863.38	15,026,750.60	212,945,111.86

AMOUNTS ACTUALLY PAID

Finland		$142,905.00	$19,030.50	$161,935.50
Greece		[2] 174,336.00		174,336.00
Hungary		9,828.16		9,828.16
Total		327,069.16	19,030.50	346,099.66

[1] The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

[2] Represents payment of 40 percent of interest due on May 10, 1937, and Nov. 10, 1937, which was received on May 25, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Press releases of the Treasury Department and correspondence exchanged between the Government of the United States and various foreign governments regarding the amounts due during the fiscal year will be found as exhibit 45 on page 285 of this report.

A statement showing the principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest as of November 15, 1938, appears as table 57 on page 548.

The total amounts previously due from foreign governments on account of their indebtedness to the United States under the funding and moratorium agreements and not paid as of November 15, 1938, according to contract terms, are shown in the following statement:

TOTAL AMOUNTS DUE AND NOT PAID, AS OF NOVEMBER 15, 1938

Country	Funding agreements		Moratorium agreements	Total
	Principal	Interest		
Belgium	$26,600,000.00	$39,198,000.00	$4,844,538.80	$70,642,538.80
Czechoslovakia	16,170,085.83		1,828,127.80	17,998,213.63
Estonia	723,000.00	3,394,285.00	365,852.90	4,483,137.90
France	284,345,738.11	231,137,190.00	30,468,797.20	545,951,725.31
Germany:				
(Austrian indebtedness) [1]	1,380,279.00		104,301.69	1,484,580.69
Great Britain	165,000,000.00	817,949,481.58	97,207,650.50	1,080,157,132.08
Greece	5,265,000.00	1,928,995.50	738,511.18	7,932,506.68
Hungary [2]	78,830.00	364,342.45	42,255.80	485,428.25
Italy	80,200,000.00	11,699,791.74	8,961,558.80	100,861,350.54
Latvia	289,900.00	1,300,168.84	152,742.60	1,742,811.44
Lithuania	263,580.00	1,122,437.02	136,832.60	1,522,849.62
Poland	8,761,000.00	42,481,890.00	4,562,297.10	55,805,187.10
Rumania	9,000,000.00		487,500.80	9,487,500.80
Yugoslavia	2,275,000.00	77,031.26		2,352,031.26
Total	600,352,412.94	1,150,653,613.39	149,900,967.77	1,900,906,994.10

[1] The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

[2] The Hungarian Government has deposited with the foreign creditors' account at the Hungarian National Bank an amount of pengo equivalent to the interest payments due from December 15, 1932, to June 15, 1937. The debt funding and moratorium agreements with Hungary provide for payment in dollars in the United States.

Austria.—The Minister of the Republic of Austria informed the Department of State on March 17, 1938, that, as a result of the developments which have occurred in Austria, that country had ceased to exist as an independent nation and had been incorporated in the German Reich. In view of this announcement the German Government was notified that the Government of the United States will look to it for the discharge of the relief indebtedness of the Government of Austria to the United States under the debt agreement of May 8, 1930, and the moratorium agreement of September 14, 1932.

Press releases of the Department of State dated April 6, 1938, and June 17, 1938, relating to this subject, will be found as exhibit 46 on page 292.

Hungary.—The Hungarian Government on August 16, 1937, made a proposal, which was accompanied by a definite acknowledgment of its indebtedness to the United States, to pay the amount of $19,656.32 per annum in semiannual installments of $9,828.16 over a period of 3 years, the first installment being payable on December 15, 1937, on account of the amounts due under the Hungarian debt funding agree-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ment of April 25, 1924, and the moratorium agreement of May 27, 1932.

The Hungarian Government was informed that the Treasury will receive the semiannual payments contemplated under its proposal, and that the acceptance of such payments for application on account of its indebtedness cannot be construed as a concurrence in the proposal of the Hungarian Government as to suspension of payments previously due, nor in any way alter the provisions of its debt funding agreement of April 25, 1924, and moratorium agreement of May 27, 1932, with the United States or prejudice the rights of the United States Government. Pursuant to such proposal payments of $9,828.16 each were received by the Treasury on December 15, 1937, and June 15, 1938.

A press release of the Department of State accompanied by the correspondence between Hungary and the United States relating to the above-mentioned proposal will be found as exhibit 47 on page 294.

On February 7, 1938, a communication was received from the Minister of Hungary in which the Hungarian Government tentatively formulates for the consideration of the Government of the United States a possible basis for a new debt arrangement between the two countries to replace completely the debt agreement of 1924 and accruals thereunder. The President transmitted this communication to the Congress for its consideration. The President's message of March 28, 1938, and the communication from the Minister of Hungary appear as exhibit 48 on page 297.

Nicaragua.—The Government of Nicaragua purchased surplus war material from the Secretary of War and the Secretary of the Navy under contracts dated November 14, 1921, February 25, 1927, and July 24, 1925, and gave in payment for such material its obligations bearing interest at 6 percent per annum, payable to the United States in the aggregate amount of $431,849.14. During the period from 1924 to 1926 Nicaragua paid to the United States $168,575.84 on account of such obligations, of which $141,950.36 was applied to the principal of the indebtedness and $26,625.48 was applied to interest.

On April 14, 1938, a treaty between the United States and Nicaragua for the adjustment of pending financial matters was signed in Washington, under which the United States agrees to pay and Nicaragua agrees to accept the sum of $72,000 in full settlement of the claim of Nicaragua for refund of $372,879.06, being the principal amount of certain income taxes paid by the Ferrocarril del Pacifico de Nicaragua (a railroad owned and operated by Nicaragua), and for refund of interest thereon, and in consideration of such agreement the United States cancels the indebtedness of Nicaragua in the principal amount of $289,898.78, together with interest thereon. The Senate, on June 13, 1938, gave its advice and consent to the ratification by the President of the treaty.

A press release of the Department of State relative to the execution of the treaty between the United States and Nicaragua and the agreement as ratified by the Senate will be found as exhibits 49 and 50 on pages 300 and 301.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Receipts from Germany

During the fiscal year 1938 the United States received no payments from the Government of Germany under the debt-funding agreement of June 23, 1930, covering the costs of the American Army of Occupation and the awards of the Mixed Claims Commission, United States and Germany.

Army costs.—Payments of 8,200,000 reichsmarks were due on September 30, 1937, and March 31, 1938, respectively, from the Government of Germany on account of army costs under the provisions of the debt agreement of June 23, 1930. Interest amounting to 3,762,750 reichsmarks was also due on those dates. There has been no change in the army cost account from that shown in the statement appearing on page 39 of the annual report of 1932.

Mixed claims, United States and Germany.—Payments of 20,400,000 reichsmarks were due on September 30, 1937, and March 31, 1938, respectively, from the Government of Germany on account of mixed claims awards under the provisions of the debt agreement of June 23, 1930. Interest amounting to 12,750,000 reichsmarks was also due on those dates.

Annuities under moratorium agreement.—The semiannual installments, aggregating 3,058,098.90 reichsmarks, of the annuities under the moratorium agreement with the Government of Germany dated May 26, 1932, which were due during the fiscal year 1938, were not paid by Germany.

The status of the indebtedness of Germany to the United States as of June 30, 1938, under the funding and moratorium agreements is summarized in the following tables:

AMOUNT OF INDEBTEDNESS

	Indebtedness as funded	Total indebtedness as of June 30, 1938	Principal	Interest accrued and unpaid [1]
Army costs (reichsmarks)	1,048,100,000	1,012,628,482.60	997,500,000	15,128,482.60
Mixed claims (reichsmarks)	2,121,600,000	2,080,800,000.00	2,040,000,000	40,800,000.00
Total (reichsmarks)	3,169,700,000	[2] 3,093,428,482.60	3,037,500,000	55,928,482.60
Total (in dollars, at 40.33 cents to the reichsmark)	1,278,340,010	1,247,579,707.03	1,225,023,750	22,555,957.03

[1] Includes interest accrued under unpaid moratorium agreement annuities.
[2] Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse fur Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

PAYMENTS RECEIVED

	Total payments received as of June 30, 1938	Payments of principal	Payments of interest
Army costs (reichsmarks)	51,456,406.25	50,600,000.00	856,406.25
Mixed claims (reichsmarks)	87,210,000.00	81,600,000.00	5,610,000.00
Total (reichsmarks)	138,666,406.25	132,200,000.00	6,466,406.25
Total (in dollars)	33,587,809.69	31,539,595.84	2,048,213.85

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

AMOUNTS NOT PAID ACCORDING TO CONTRACT TERMS, JUNE 30, 1938

Date due	Funding agreement		Moratorium agreement	Total
	Principal	Interest		
Sept. 30, 1933 reichsmarks		2,498,562.50	1,529,049.45	[1] 4,027,611.95
Mar. 31, 1934 do	122,400,000		1,529,049.45	123,929,049.45
Sept. 30, 1934 do	20,400,000	3,855,687.50	1,529,049.45	25,784,736.95
Mar. 31, 1935 do	82,900,000	4,534,250.00	1,529,049.45	88,963,299.45
Sept. 30, 1935 do	29,700,000	5,212,812.50	1,529,049.45	36,441,861.95
Mar. 31, 1936 do	29,700,000	5,891,375.00	1,529,049.45	37,120,424.45
Sept. 30, 1936 do	29,700,000	6,569,937.50	1,529,049.45	37,798,986.95
Mar. 31, 1937 do	29,700,000	7,248,500.00	1,529,049.45	38,477,549.45
Sept. 30, 1937 do	28,600,000	7,927,062.50	1,529,049.45	38,056,111.95
Mar. 31, 1938 do	28,600,000	8,585,687.50	1,529,049.45	38,714,736.95
Total do	401,700,000	52,323,875.00	15,290,494.50	469,314,369.50
Total (in dollars, at 40.33 cents to the reichsmark)	162,005,610	21,102,218.79	6,166,656.43	189,274,485.22

[1] Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse fur Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

Treasury administration of alien and mixed claims

The Settlement of War Claims Act of 1928 authorized the Secretary of the Treasury to make payments on account of (1) awards of the Mixed Claims Commission, United States and Germany, for claims of American nationals against the Government of Germany; (2) awards of the War Claims Arbiter for claims of German, Austrian, and Hungarian nationals against the Government of the United States; and (3) awards of the Tripartite Claims Commission for claims of American nationals against the Governments of Austria and Hungary.

The time within which claimants could file applications for payment of awards from the Mixed Claims Commission, United States and Germany, and the Tripartite Claims Commission, United States, Austria, and Hungary, has been extended from time to time, and was further extended until March 10, 1940, under the joint resolution of Congress approved May 23, 1938, a copy of which will be found as exhibit 64 on page 346 of this report.

Executive Order No. 6981, dated March 2, 1935, as amended by Executive Order No. 7111, dated July 22, 1935, removed in certain cases the restrictions imposed by Public Resolution No. 53 of June 27, 1934, as to payments, transfers, and deliveries of property under the Trading with the Enemy Act, as amended, and the Settlement of War Claims Act of 1928, as amended.

Mixed Claims Commission: Claims against Germany.—No payments were made during the year on account of awards of the Mixed Claims Commission.

The following summary shows the awards certified to the Treasury by the Secretary of State, by classes, number, and amount of the awards, the amount paid on account, and the balance due thereon as of September 30, 1938:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Number and amount of awards of the Mixed Claims Commission, United States and Germany, certified to the Secretary of the Treasury by the Secretary of State and the amount paid and balance due, by classes, as of September 30, 1938

Awards certified	Total number of awards	Total amount	Class I		Class II		Class III		United States Government	
			Number of awards	Awards on account of death and personal injury	Number of awards	Other awards of $100,000 and less	Number of awards	Other awards over $100,000	Number of awards	Amount
1. Amount due on account:										
Principal of awards:										
Agreement of Aug. 10, 1922	4,551	$156,685,145.09	420	$3,489,437.75	3,829	$15,102,155.76	298	$96,058,757.17	4	$42,034,794.41
Agreement of Dec. 31, 1928	2,290	3,695,863.20	115	556,625.00	2,169	2,447,803.92	6	691,434.28		
		160,381,008.29		4,046,062.75		17,549,959.68		96,750,191.45		42,034,794.41
Less amounts paid by Alien Property Custodian and others		187,226.85				48,012.50		139,214.35		
		160,193,781.44		4,046,062.75		17,501,947.18		96,610,977.10		42,034,794.41
Interest to Jan. 1, 1928, at rates specified in awards:										
Agreement of Aug. 10, 1922		69,755,018.74		732,801.61		6,851,202.19		42,961,689.72		19,209,325.22
Agreement of Dec. 31, 1928		1,409,240.88		115,976.22		971,159.15		322,105.51		
Total payable to Jan. 1, 1928		231,358,041.06		4,894,840.58		25,324,308.52		139,894,772.33		61,244,119.63
Interest thereon to date of payment or, if unpaid Sept. 30, 1938, at 5% per annum as specified in the Settlement of War Claims Act of 1928		62,075,871.03		188,801.74		1,375,185.82		27,607,850.98		32,904,032.49
Total due claimants		293,433,912.09		5,083,642.32		26,699,494.34		167,502,623.31		94,148,152.12
2. Payments made on account to Sept. 30, 1938:										
Principal of awards:										
Agreement of Aug. 10, 1922	[1] 4,236	121,740,195.22	420	3,489,437.75	3,816	15,028,952.94		[1] 103,221,804.53		
Agreement of Dec. 31, 1928	2,263	3,791,791.80	115	556,625.00	2,148	2,445,886.69		789,280.11		
Interest to Jan. 1, 1928, at rates specified in awards:										
Agreement of Aug. 10, 1922		7,574,058.17		732,801.61		6,841,256.56		[2]		
Agreement of Dec. 31, 1928		1,086,361.01		115,976.22		970,384.79		[2]		
Interest at 5% per annum from Jan. 1, 1928, to date of payment as directed by the Settlement of War Claims Act of 1928		1,543,664.32		188,801.74		1,354,862.58		[2]		
Total payment to Sept. 30, 1938		135,736,070.52		5,083,642.32		26,641,343.56		104,011,084.64		
Less one-half of 1% deduction from each payment:										
Agreement of Aug. 10, 1922		[3] 651,809.90		21,650.20		114,050.28		516,109.42		

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Agreement of Dec 31, 1928		[4] 26,871.04		3,767.97		19,156.68		3,946.39		
Net payments made to claimants to Sept. 30, 1938		135,057,389.58		5,058,224.15		26,508,136.60		103,491,028.83		
3. Balance due on account:										
Principal of awards:										
Agreement of Aug. 10, 1922	315	96,928,737.96			13	25,190.32	298	35,659,428.01	4	61,244,119.63
Agreement of Dec. 31, 1928	27	226,176.91			21	1,917.23	6	224,259.68		
Interest to Jan. 1, 1928, at rates specified in awards:										
Agreement of Aug. 10, 1922		9,945.63				9,945.63				
Agreement of Dec. 31, 1928		774.36				774.36				
Accrued interest at 5% per annum from Jan. 1, 1928, on total amount payable as of Jan. 1, 1928, to Sept. 30, 1938		60,532,206.71				20,323.24		27,607,850.98		32,904,032.49
Balance due claimants as of Sept. 30, 1938		157,697,841.57				58,150.78		63,491,538.67		94,148,152.12

[1] Includes payments on account of interest to Jan. 1, 1928, on class III awards. Payments on this class of awards are first applied on account of the total amount payable as of Jan. 1, 1928, as directed by the Settlement of War Claims Act of 1928, until total of all payments on the three classes equals 80 percent of the amount payable Jan. 1, 1928. Payment of accrued interest since Jan. 1, 1928, on this class of claims deferred in accordance with act.

[2] See note 1.

[3] Of this amount $650,025.54 has been covered into the Treasury as miscellaneous receipts. A further sum of $1,784.36 will be covered into the Treasury at a later date.

[4] Of this amount $24,150.09 has been paid to the Government of Germany. A further sum of $2,720.95 is payable in connection with the adjudication of late claims under the agreement of Dec. 31, 1928.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

War Claims Arbiter.—Under the Settlement of War Claims Act of 1928, it was the duty of the War Claims Arbiter, within certain limitations, to hear the claims of German, Austrian, and Hungarian nationals and to determine the fair compensation to be paid by the United States for ships seized, patents sold or used by the United States, and a radio station sold to the United States.

War Claims Arbiter: Claims of German nationals.—The Treasury completed up to June 30, 1935, payment of 50 percent of the amount of all awards made by the War Claims Arbiter in favor of German nationals as required by paragraph 7 of section 4 (c) of the Settlement of War Claims Act of 1928. No payments were made on these awards subsequent to that date.

The following summary shows the number and amount of awards in favor of German nationals certified to the Treasury for payment, the payments made on account, and the balance due thereon as of September 30, 1938:

Awards of the War Claims Arbiter on account of claims of German nationals for ships, patents, and radio station, amount paid, and balance due on each, as of September 30, 1938

	Total amount (315 awards)	Ships, amount (27 awards)	Patents and radio station, amount (288 awards)
1. Amount due on account:			
Principal of awards, including interest to Jan. 1, 1929	$86,738,320.83	[1] $74,252,933.00	$12,485,387.83
Interest at 5% per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1938	25,826,438.03	21,959,104.04	3,867,333.99
Total due claimants	112,564,758.86	96,212,037.04	16,352,721.82
2. Payments made on account to Sept. 30, 1938:			
Principal of awards	43,368,899.24	37,126,205.21	6,242,694.03
Interest at 5% per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1938			
Total payments to Sept. 30, 1938	43,368,899.24	37,126,205.21	6,242,694.03
3. Balance due on account:			
Principal of awards	43,369,421.59	[1] 37,126,727.79	6,242,693.80
Interest accrued at 5% per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1938	25,826,438.03	21,959,104.04	3,867,333.99
Balance due claimants	69,195,859.62	59,085,831.83	10,110,027.79

[1] Includes awards amounting to $522.58 to members of former ruling family of Germany (sec. 3 (j), Settlement of War Claims Act of 1928, as amended).

War Claims Arbiter: Claims of Hungarian nationals.—The awards made by the Arbiter to Hungarian nationals in the sum of $39,125, with interest at the rate of 5 percent per annum from July 2, 1921, to December 31, 1928, amounting to $14,675, have been paid with the exception of one award amounting to $137.51, together with interest thereon at the rate of 5 percent per annum from December 31, 1928. No payments were made during the year on these awards.

German special deposit account.—The following statement shows the total amounts deposited in the German special deposit account, the amounts paid therefrom to September 30, 1938, and the balance held in the account:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Funds deposited in the German special deposit account and payments made therefrom to September 30, 1938

RECEIPTS

From investments by Alien Property Custodian under Trading With the Enemy Act, as amended:			
Unallocated interest fund	$25,000,000.00		
Less refunds	4,000,000.00		
	21,000,000.00		
20% German property retained	17,552,096.91		
		$38,552,096.91	
From Germany:			
2¼% of Dawes' annuities available for reparations (Paris agreement of Jan. 14, 1925)	32,183,060.87		
Under German-American debt agreement, June 23, 1930	19,469,964.00		
Interest on payments postponed under terms of debt agreement dated June 23, 1930	1,743,738.70		
		53,396,763.57	
Appropriation for ships, patents, and radio station	86,738,320.83		
Expenses of administration, War Claims Arbiter, on account of German nationals	113,624.20		
		86,851,945.03	
Earnings and profits on investments by the Secretary of the Treasury		4,872,567.12	
Total receipts			$183,673,372.63

PAYMENTS ON ACCOUNT

Awards of the Mixed Claims Commission:			
Under agreement of Aug. 10, 1922		$129,710,005.62	
Under agreement of Dec. 31, 1928		5,347,383.96	
			$135,057,389.58
Awards of War Claims Arbiter:			
For ships		37,126,205.21	
For patents and radio station		6,242,694.03	
			43,368,899.24
One-half of 1% deducted from mixed claims payments, covered into Treasury ($1,784.36 withheld but not paid)			650,025.54
One-half of 1% deducted from mixed claims payments on account of awards entered under agreement of Dec. 31, 1928 (act of June 21, 1930), and paid to Germany ($2,720.95 withheld but not paid)			24,150.09
Advances to special fund, expenses of administration of the Settlement of War Claims Act of 1928 (office of the Secretary of the Treasury)			43,175.00
Expenses of administration, War Claims Arbiter, on account of German nationals			113,624.20
Total payments			179,257,263.65
Balance in German special deposit account (including investments)			4,416,108.98
Made up as follows:		*Principal cost*	
$3,847,000 face amount 3% Treasury bonds of 1951–55		$3,828,053.51	
$110,000 face amount 2% Treasury notes, series B–1942		110,000.00	
			3,938,053.51
Cash balance			478,055.47
			4,416,108.98

Tripartite Claims Commission: Claims against Austria.—The total amount of awards, including interest, certified by the Tripartite Claims Commission to the Treasury for payment was $370,032.14. All of these awards against Austria have been paid, except one in the amount of $135.06. Sufficient funds have been retained to pay this award. No payments were made on these awards during the fiscal year 1938.

Tripartite Claims Commission: Claims against Hungary.—The awards entered by the Tripartite Claims Commission against Hungary, in favor of American nationals, amounted to $199,975.57. During the fiscal year 1938 no payments were made on account of such awards. As of June 30, 1938, awards aggregating $7,257.35 had not been paid because claimants had not filed applications as required by law.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Claims of American nationals against Turkey

Representatives of the United States and Turkey signed at Istanbul on October 25, 1934, a final agreement for the settlement of the claims of the nationals of each country against the other, embraced within the agreement concluded between the United States and Turkey through an exchange of notes on December 24, 1923, and confirmed by a further exchange of notes on February 17, 1927. The agreement provides that the Republic of Turkey will pay to the United States the sum of $1,300,000, without interest, in full settlement of claims of American citizens which are embraced by the agreement of December 24, 1923, in 13 annual installments of $100,000 each; the first installment to be paid on June 1, 1936, following ratification of the agreement by the Great National Assembly of Turkey. The agreement was approved by the Assembly on December 23, 1934. Under an exchange of notes in October and November 1937 the United States consented to a change of the due date for the payment of the annual installments under the agreement from June 1 to June 20 because June 1 coincides with the beginning of the Turkish fiscal year and was therefore an inconvenient time for the Turkish Government to make payments of an important nature.

Under the joint resolution approved June 18, 1934, authorizing an appropriation to cover the expenses incurred by the United States in connection with such claims, it was provided that the expenses shall become a first charge upon any moneys received from the Turkish Government and the amount of such expenditures shall be deducted from the first payment by the Turkish Government and deposited in the Treasury as miscellaneous receipts, and that the Secretary of State in distributing to the respective claimants the balance of the amounts received from the Turkish Government shall apportion the amount withheld on account of expenses in such manner as to constitute a uniform percentage of deduction from the amount found to be due each claimant.

The Special Claims Commission, United States and Turkey, established under the agreement of December 24, 1923, made awards in 33 cases aggregating $899,338.09, which were reduced by $70,891.06 on account of expenses incurred by the United States, leaving net awards amounting to $828,447.03 payable from funds received from the Republic of Turkey. Under the provisions of the act of February 27, 1896 (29 Stat. 32), these awards were certified on August 19, 1937, by the Secretary of State to the Secretary of the Treasury for payment. During the fiscal year 1938 a prorata payment was made to the claimants by the Treasury from funds amounting to $129,108.94, available for that purpose.

Statement of awards made by Special Claims Commission, United States and Turkey, as of June 30, 1938

Amount awarded to claimants:		
Amount of claims	$539,844.13	
Interest allowed	359,493.96	
Total	899,338.09	
Less deductions on account of expenses incurred by the United States	70,891.06	
Amount of awards		$828,447.03
Amount received from Republic of Turkey:		
To June 30, 1937	200,000.00	
During fiscal year 1938	(1)	
Total	200,000.00	
Less reimbursement for expenses by the United States	70,891.06	
Available for payment to claimants		129,108.94

[1] Installment of $100,000 due on June 20, 1938, received by Treasury on July 1, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Claims of American nationals against Mexico

The Special Mexican Claims Commission was established pursuant to the act approved April 10, 1935, with jurisdiction to hear and determine, conformable to the terms of the convention of September 10, 1923, and justice and equity, all claims against the Republic of Mexico, notices of which were filed with the Special Claims Commission, United States and Mexico, established by the convention of September 10, 1923, in which the said Commission failed to award compensation, except such claims as may be found by the Commission provided for in the Special Claims Convention of April 24, 1934, to be general claims and recognized as such by the General Claims Commission. Section 4 of the act provides that if, after all claims have been passed upon and all awards have been entered, the total amount of such awards is greater than the amount that the Government of Mexico has agreed to pay to the Government of the United States in satisfaction of the claims, less expenses of the Commission, it shall reduce the awards on a percentage basis to such amount, and shall enter final awards in such reduced amounts.

Pursuant to section 9 of the act of April 10, 1935, the Secretary of State shall transmit to the Secretary of the Treasury a list of all claims allowed in whole or in part, together with the amount of each claim and the amount awarded by the Commission, and the Secretary of the Treasury, after making the deduction to cover the expenses of the United States incurred in connection with such claims, shall distribute in ratable proportions, among the persons in whose favor awards shall have been made, or their assignees, heirs, executors, or administrators of record, according to the proportions which their respective awards shall bear to the whole amount then available for distribution, such moneys as may be received from the Government of Mexico under the convention of April 24, 1934.

Under the convention between the United States and Mexico dated April 24, 1934, covering the en bloc settlement of the claims presented by the Government of the United States to the Commission established by the Special Claims Convention concluded September 10, 1923, the amount to be paid by the Government of Mexico to the Government of the United States was fixed at $5,448,020.14. This amount is to be paid at the rate of $500,000 per annum, beginning January 1, 1935, and continuing until the whole amount shall have been paid. Deferred payments, that is, payments made after January 2, 1935, shall bear interest at the rate of one-fourth of 1 percent per annum for the first year counting from January 1, 1935, and an additional one-fourth of 1 percent for each additional year until the maximum of 1 percent is reached, which shall be applied beginning January 1, 1939. In the event of failure to make annual payments when due, this rate shall be increased at the rate of one-fourth of 1 percent per annum on the amount of deferred payments during the period of any such delay until a maximum additional rate of 3 percent on such overdue amounts is reached.

On June 20, 1938, the Secretary of State certified to the Secretary of the Treasury for payment a list of awards entered by the Special Mexican Claims Commission aggregating $9,137,341.79, which were subject to reduction on a percentage basis as provided in section 4 of the act approved April 10, 1935. The final awards aggregated

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

$5,208,284.86. The total appropriations to cover the expenses incurred by the United States amounted to $250,000 and, pending a final determination as to the actual amount of expenses paid by the United States, an amount equivalent to the appropriations has been withheld from the payments made by the Government of Mexico.

As of June 30, 1938, there was available for distribution to claimants the sum of $1,814,220.30. A distribution of this amount to claimants was initiated shortly after that date.

Statement of awards made by Special Mexican Claims Commission, United States and Mexico, as of June 30, 1938

Amount of final awards to claimants after application of section 4 of the act approved April 10, 1935		$5,208,284.86
Amount received from Government of Mexico:		
Jan. 2, 1935, $500,000 principal	$500,000.00	
Jan. 2, 1936, $500,000 principal and $12,370.05 interest	512,370.05	
Jan. 2, 1937, $500,000 principal and $22,240.10 interest	522,240.10	
Jan. 2, 1938, $500,000 principal and $29,610.15 interest	529,610.15	
Total		2,064,220.30
Less amount reserved to cover expenses incurred by the United States		250,000.00
Available for payment to claimants		1,814,220.30

Railroad obligations

Total receipts during the fiscal year on account of railroad securities owned by the United States amounted to $66,675.66, of which $2,600.55 was collected by the Director General of Railroads under the Federal Control Act, as amended, and $64,075.11 was collected by the Treasury Department under section 210 of the Transportation Act, 1920, as amended.

The following statement shows the total amount of railroad obligations, by classes, originally held by the United States Government (exclusive of certain miscellaneous obligations held by the Director General of Railroads), the amount held on June 30, 1938, and payments received on account:

Class	Principal amount originally held	Principal amount held on June 30, 1938	Total payments received	
			Principal	Interest
Federal Control Act:				
Equipment trust notes	$346,556,750.00		$346,556,750.00	$45,338,918.25
Sec. 7	98,401,755.00		98,401,755.00	23,100,562.27
Sec. 12	62,103,453.28		62,103,453.28	4,248,171.96
Transportation Act:				
Sec. 207	282,712,837.36	$5,007,000.00	[1] 277,695,167.90	54,360,339.70
Sec. 210	290,800,667.00	25,223,232.55	265,577,434.45	90,792,070.18
Total	1,080,575,462.64	30,230,232.55	1,050,334,560.63	217,840,062.36

[1] Stock of the Kansas, Oklahoma & Gulf Ry. Co., in the face amount of $212,500, was sold on the market for $201,830.54, resulting in a difference of $10,669.46 between the receipts and the principal originally held.

Section 207, Transportation Act, 1920, as amended.—The following statement shows the amount of obligations of carriers acquired under section 207 and held on June 30, 1938:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Obligations acquired under the provisions of section 207 of the Transportation Act, 1920, and held as of June 30, 1938

Carrier	Principal amount of promissory note or of directly held security	Collateral, face amount	Class of collateral or of directly held security	Principal in default	Interest in default
Chicago, Milwaukee, St. Paul & Pacific R. R. Co.	$3,207,000	(1)	5% noncumulative preferred stock of carrier.	----------	----------
Minneapolis & St. Louis R. R. Co.	1,250,000	$1,500,000	Refunding and extension mortgage, 5% bonds of carrier.	$1,250,000	$1,125,000.00
Washington, Brandywine & Point Lookout R. R. Co.	50,000	75,000	First mortgage, 6% bonds of carrier.	50,000	19,408.98
Waterloo, Cedar Falls & Northern Ry. Co.	500,000	625,000	Temporary general mortgage, 7% bonds of carrier.	500,000	514,931.50
Total	5,007,000	----------	----------	1,800,000	1,659,340.48

[1] Securities directly held.

Section 210, Transportation Act, 1920, as amended.—This section established a revolving fund of $300,000,000 to be used for loans to railroads under the conditions set forth in a certificate of the Interstate Commerce Commission authorizing each loan, and also for paying judgments, decrees, and awards rendered against the Director General of Railroads. No new loans are being made as the time for making application has expired. No expenditures under this section were made by the Director General during the fiscal year. The net expenditures by him on this account amounted to $33,640,740.24 to June 30, 1938.

Total loans (including renewal loans and repayments thereof aggregating $59,800,000) to June 30, 1938, amounted to $350,600,667, repayments amounted to $325,377,434.45, and loans outstanding as of that date amounted to $25,223,232.55.

The following statement shows the amount of obligations held on June 30, 1938, on account of loans to carriers under section 210, and the amount of principal and interest in default:

Obligations held on June 30, 1938, on account of loans to carriers under section 210 of the Transportation Act, 1920, as amended, and the amount of principal and interest in default

Carrier	Loans outstanding	Principal in default	Interest in default
Alabama, Tennessee & Northern R. R. Corporation	$151,500.00	$151,500.00	$40,905.00
Aransas Harbor Terminal Ry.	44,304.67	44,304.67	14,699.29
Des Moines & Central Iowa R. R. Co. (formerly the Interurban Ry. Co.)	633,500.00	633,500.00	395,311.87
Fort Dodge, Des Moines & Southern R. R. Co.	200,000.00	200,000.00	101,164.91
Gainesville & Northwestern R. R. Co.	[1] 75,000.00	----------	----------
Georgia & Florida Ry. (receiver)	792,000.00	792,000.00	403,920.00
Minneapolis & St. Louis R. R. Co.	1,382,000.00	1,382,000.00	1,206,449.73
Missouri & North Arkansas Ry. Co.	[1] 3,500,000.00	----------	----------
Salt Lake & Utah R. R. Co.	872,600.00	872,600.00	706,806.00
Seaboard Air Line Ry. Co.	14,440,577.88	13,690,577.88	6,227,078.08
Seaboard-Bay Line Co.	1,256,000.00	1,256,000.00	489,840.00
Virginia Blue Ridge Ry. Co.	106,000.00	106,000.00	76,149.29
Virginia Southern R. R. Co.	[1] 38,000.00	----------	----------
Waterloo, Cedar Falls & Northern Ry. Co.	1,260,000.00	1,260,000.00	1,203,505.58
Wichita, Northwestern Ry. Co.	381,750.00	381,750.00	332,122.50
Wilmington, Brunswick & Southern R. R. Co.	90,000.00	90,000.00	43,200.00
Total	25,223,232.55	20,860,232.55	11,241,152.25

[1] Assets of these carriers have been completely liquidated, and were insufficient to meet these claims.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Trust and special funds invested by the Treasury

Under various provisions of law creating trust and special funds, the Secretary of the Treasury or the Treasurer is authorized to invest such portions of the funds as are not required to meet current withdrawals. The following statement shows the amount of Government and other securities held in these funds:

Securities held as investments in trust and special funds, June 30, 1938

[000 omitted]

Fund	Government securities	Government guaranteed securities	Other securities	Total
Adjusted service certificate fund	$25,800			$25,800
Ainsworth library fund, Walter Reed General Hospital	10			10
Alaska Railroad retirement and disability fund	327			327
Alien property trust fund	30,710			30,710
Canal Zone retirement and disability fund	3,662			3,662
Civil service retirement and disability fund	396,406			396,406
District of Columbia teachers' retirement fund	5,400	$95	$1,965	7,460
District of Columbia water fund	736			736
District of Columbia workers' compensation fund	10		11	21
Foreign service retirement and disability fund	3,328			3,328
German special deposit account	3,957			3,957
Library of Congress trust fund	1		433	434
Longshoremen's and harbor workers' compensation fund	101	10	43	154
National Institute of Health gift fund	83			83
National park trust fund	12			12
Old-age reserve account	662,300			662,300
Pershing Hall Memorial fund	198			198
Railroad retirement account	66,200			66,200
Unemployment trust fund	872,000			872,000
U. S. Government life insurance fund	760,842		42,067	802,909
Total	2,832,083	105	44,519	2,876,707

Adjusted service certificate fund.—Amounts held for the account of the adjusted service certificate fund, created by the act of May 19, 1924, were reinvested during the fiscal year 1938 in special issues of Treasury certificates of indebtedness bearing interest at the rate of 4 percent per annum, in accordance with the procedure outlined in the annual report of the Secretary of the Treasury for the fiscal year 1925.

In accordance with the provisions of the Adjusted Compensation Payment Act, 1936, enacted January 27, 1936, payments were made from the fund during the fiscal year 1938 on account of the issuance of $12,751,850 of adjusted service bonds and on account of checks for amounts less than $50, totaling $561,666.23.

During the year $11,800,000 net face amount of certificates were redeemed to meet current payments from the fund.

A statement of the fund as of June 30, 1938 (exclusive of fund assets held by the Veterans' Administration on account of bank loans on adjusted service certificates redeemed), is as follows:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Adjusted service certificate fund, June 30, 1938

FUND ACCOUNT

Appropriations:		
To June 30, 1936 (including $2,230,157,956.40 appropriated in the Independent Offices Appropriation Act, 1937, approved Mar. 19, 1936)		$3,526,157,950.40
Interest on investments:		
To June 30, 1937	[1] $128,176,582.31	
July 1, 1937, to June 30, 1938	1,469,928.77	
		129,646,511.08
Total		3,655,804,467.48
Payments under Adjusted Compensation Payment Act, 1936, enacted Jan. 27, 1936:		
Adjusted service bonds	1,822,090,350.00	
Checks for amounts less than $50	82,815,997.57	
Adjusted service bonds (Government life insurance fund series)	500,157,956.40	
Total	2,405,064,303.97	
Checks paid by Treasurer of the United States other than in final settlement of certificates under the Adjusted Compensation Payment Act, 1936, less credits on account of repayments of loans and interest thereon	1,223,896,986.78	
		3,628,961,290.75
Balance in fund June 30, 1938		26,843,176.73

FUND ASSETS [2]

Investments, 4% Treasury certificates of indebtedness	25,800,000.00
Unexpended balances:	
To credit of Chief Disbursing Officer, Division of Disbursement, and disbursing officers of the Veterans' Administration with the Treasurer of the United States	1,026,722.19
To credit of fund on books of the Division of Bookkeeping and Warrants	16,454.54
Total fund assets June 30, 1938	26,843,176.73

[1] Includes adjustment of $67,561.64 for interest received in fiscal year 1938.
[2] Exclusive of assets held by Veterans' Administration.

Civil service retirement and disability fund.—In accordance with the provisions of the act of May 22, 1920 (41 Stat. 614), creating the civil service retirement and disability fund, the Treasury continued during the year to make investments for account of the fund in special issues of Treasury notes bearing interest at the rate of 4 percent per annum, in accordance with the procedure outlined in the annual report of the Secretary of the Treasury for 1926. During 1938, $15,189,400 face amount of various issues of Treasury bonds were sold on the market and the proceeds reinvested in special Treasury notes.

The following statement shows the status of the fund as of June 30, 1938:

Civil service retirement and disability fund, June 30, 1938

Credits:		
On account of deductions from basic compensation of employees and service-credit payments:		
From Aug. 1, 1920, to June 30, 1937	[1] $416,945,066.53	
July 1, 1937, to June 30, 1938	37,322,049.95	
		$454,267,116.48
Appropriations:		
To June 30, 1937	231,800,000.00	
Available July 1, 1937	[2] 73,234,760.00	
		305,034,760.00
Interest and profits on investments:		
From Aug. 1, 1920, to June 30, 1937	95,297,626.16	
July 1, 1937, to June 30, 1938	16,635,825.67	
		111,933,451.83
Total		871,235,328.31
Less checks paid by Treasurer of the United States on account of annuities and refunds, Aug. 1, 1920, to June 30, 1938		471,697,177.48
Balance in fund June 30, 1938		399,538,150.83

[1] Exclusive of $1,430,808.84 transferred to the Canal Zone retirement and disability fund pursuant to act of May 2, 1931.
[2] Includes $72,392,000 appropriated from the General Fund to cover the liability of the United States and $842,760 appropriated from the revenues of the District of Columbia to cover its liability in connection with the financing of the fund.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Civil service retirement and disability fund, June 30, 1938—Continued

Assets:		
Face amount	*Principal cost*	
$4,884,000 3¼% Treasury bonds, 1943–45	$4,820,387.42	
2,621,650 3¼% Treasury bonds, 1944–46	2,587,503.84	
45,200,000 4% special Treasury notes payable June 30, 1939	45,200,000.00	
59,200,000 4% special Treasury notes payable June 30, 1940	59,200,000.00	
97,900,000 4% special Treasury notes payable June 30, 1941	97,900,000.00	
122,300,000 4% special Treasury notes payable June 30, 1942	122,300,000.00	
64,300,000 4% special Treasury notes payable June 30, 1943	64,300,000.00	
396,405,650		396,307,891.26
Unexpended balances June 30, 1938:		
To credit of disbursing officers	2,233,531.14	
On books of Division of Bookkeeping and Warrants	996,728.43	
		3,230,259.57
Total fund assets June 30, 1938		399,538,150.83

Canal Zone retirement and disability fund.—Under section 10 of the act of March 2, 1931 (46 Stat. 1477), creating the Canal Zone retirement and disability fund, the Secretary of the Treasury makes investments of such portion of the fund as in his judgment is not immediately required for the payment of the annuities, refunds, and allowances, in accordance with the procedure outlined in the annual report of the Secretary of the Treasury for 1931.

The following statement shows the status of the fund as of June 30, 1938:

Canal Zone retirement and disability fund, June 30, 1938

Credits:		
On account of deductions from basic compensation of employees subject to retirement act:		
From July 1, 1931, to June 30, 1937	$4,632,332.90	
July 1, 1937, to June 30, 1938	508,622.55	
		$5,140,955.45
Appropriations:		
To June 30, 1937	1,000,000.00	
Available July 1, 1937	500,000.00	
		1,500,000.00
Interest and profits on investments:		
From July 1, 1931, to June 30, 1937	572,191.11	
July 1, 1937, to June 30, 1938	145,882.53	
		718,073.64
Total		7,359,029.09
Less checks paid by Treasurer of the United States on account of annuities and refunds, July 1, 1931, to June 30, 1938		3,634,944.32
Balance in fund June 30, 1938		3,724,084.77

Assets:		
Face amount	*Principal cost*	
$602,000 4% special Treasury notes payable June 30, 1940	$602,000.00	
2,317,000 4% special Treasury notes payable June 30, 1941	2,317,000.00	
603,000 4% special Treasury notes payable June 30, 1942	603,000.00	
140,000 4% special Treasury notes payable June 30, 1943	140,000.00	
3,662,000		3,662,000.00
Unexpended balances June 30, 1938:		
To credit of disbursing officers	55,016.20	
On books of Division of Bookkeeping and Warrants	7,068.57	
		62,084.77
Total fund assets June 30, 1938		3,724,084.77

Foreign service retirement and disability fund.—Under section 18 of the act of May 24, 1924 (43 Stat. 144), establishing the foreign service retirement and disability fund, the Secretary of the Treasury invests such portion of the fund as in his judgment is not immediately required for authorized payments, in accordance with the procedure outlined in the annual report of the Secretary of the Treasury for 1927.

The following statement shows the status of the fund as of June 30, 1938:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Foreign service retirement and disability fund, June 30, 1938

Credits:		
On account of deductions from basic compensation and service-credit payments:		
From May 24, 1924, to June 30, 1937	[1] $2,162,964.59	
July 1, 1937, to June 30, 1938	190,248.95	
		$2,353,213.54
Appropriations:		
To June 30, 1937	2,075,500.00	
Available July 1, 1937	188,000.00	
		2,263,500.00
Interest and profits on investments:		
From May 24, 1924, to June 30, 1937	750,007.43	
July 1, 1937, to June 30, 1938	133,896.55	
		883,903.98
Total		5,500,617.52
Less checks paid by Treasurer of the United States on account of annuities and refunds, May 24, 1924, to June 30, 1938		2,129,604.61
Balance in fund June 30, 1938		3,371,012.91
Assets:		
Face amount	*Principal cost*	
$657,000 4% special Treasury notes payable June 30, 1939	$657,000.00	
763,000 4% special Treasury notes payable June 30, 1940	763,000.00	
659,000 4% special Treasury notes payable June 30, 1941	659,000.00	
885,000 4% special Treasury notes payable June 30, 1942	885,000.00	
364,000 4% special Treasury notes payable June 30, 1943	364,000.00	
3,328,000		3,328,000.00
Unexpended balances June 30, 1938:		
To credit of disbursing officers	39,677.14	
On books of Division of Bookkeeping and Warrants	3,335.77	
		43,012.91
Total fund assets June 30, 1938		3,371,012.91

[1] Includes adjustment of $175.47 made during 1938.

Alaska Railroad retirement and disability fund.—The Alaska Railroad retirement and disability fund was created pursuant to section 9 of the act of June 29, 1936 (49 Stat. 2022), for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States. Under section 10 of the act, the Secretary of the Treasury invests such portion of the fund as in his judgment may not be immediately required for the payment of the annuities, refunds, and allowances authorized by the act, in accordance with a procedure similar to that outlined in the annual report of the Secretary of the Treasury for 1931 covering investments for the Canal Zone retirement and disability fund.

The following statement shows the status of the fund as of June 30, 1938:

Alaska Railroad retirement and disability fund, June 30, 1938

Credits:		
On account of deductions from basic compensation of employees subject to retirement act:		
From June 29, 1936, to June 30, 1937	$108,930.29	
July 1, 1937, to June 30, 1938	149,112.40	
		$258,042.69
Appropriations:		
Available July 1, 1937		175,000.00
Interest and profits on investments:		
From June 29, 1936, to June 30, 1937	490.96	
July 1, 1937, to June 30, 1938	10,972.28	
		11,463.24
Total		444,505.93
Less checks paid by Treasurer of the United States on account of annuities and refunds from June 29, 1936, to June 30, 1938		83,795.78
Balance in fund June 30, 1938		360,710.15
Assets:		
Face amount	*Principal cost*	
$52,000 4% special Treasury notes payable June 30, 1941	$52,000.00	
265,000 4% special Treasury notes payable June 30, 1942	265,000.00	
10,000 4% special Treasury notes payable June 30, 1943	10,000.00	
327,000		327,000.00
Unexpended balances June 30, 1938:		
To credit of disbursing officers	13,770.06	
On books of Division of Bookkeeping and Warrants	19,940.09	
		33,710.15
Total fund assets June 30, 1938		360,710.15

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

District of Columbia teachers' retirement fund.—In accordance with the act of January 15, 1920, as amended by the District of Columbia Appropriation Act of June 5, 1920, the Treasurer of the United States makes investments of the funds derived from deductions from teachers' compensation. A further amendment of June 11, 1926, created a reserve fund and provided for annual appropriations to the fund which are also invested by the Treasurer. During the fiscal year 1938, the Treasurer acquired by purchase for account of the deductions fund $527,000 face amount of 2⅞ percent Treasury bonds of 1955–60 at a principal cost of $534,590.32, and for account of the Government reserve fund $486,000 face amount of 2⅞ percent Treasury bonds of 1955–60 at a principal cost of $495,615.95.

The following statement shows the assets of the two funds as of June 30, 1938:

DEDUCTIONS FUND

Assets:

Face amount		*Principal cost*	
$860,200	4¼% Treasury bonds of 1947–52	$956,962.07	
122,000	4% Treasury bonds of 1944–54	123,387.50	
87,000	3¾% Treasury bonds of 1946–56	87,437.81	
48,000	3⅜% Treasury bonds of 1943–47	49,500.00	
142,000	3⅜% Treasury bonds of 1941–43	137,657.50	
232,000	3¼% Treasury bonds of 1943–45	232,000.00	
1,896,850	2½% Treasury bonds of 1955–60	1,927,412.21	
77,000	2¾% Treasury bonds of 1951–54	79,382.19	
105,000	2¾% Treasury bonds of 1956–59	107,920.63	
182,000	4½% Philippine Islands bonds	197,669.56	
16,000	4½% Puerto Rican bonds	15,962.57	
72,000	3¼% Federal Farm Mortgage Corporation bonds of 1944–64	73,785.00	
178,800	4¼% Federal land bank bonds	172,873.10	
385,400	4% consolidated Federal land bank bonds of 1944–46	403,077.40	
177,000	3% consolidated Federal land bank bonds of 1945–55	173,460.00	
536,500	3% consolidated Federal land bank bonds of 1946–56	534,630.00	
5,117,750			$5,273,117.54

GOVERNMENT RESERVE FUND

Assets:

Face amount		*Principal cost*	
$282,000	4¼% Treasury bonds of 1947–52	$313,717.51	
12,000	4% Treasury bonds of 1944–54	12,285.00	
31,000	3¾% Treasury bonds of 1946–56	31,145.31	
199,000	3⅜% Treasury bonds of 1943–47	204,701.25	
178,000	3⅜% Treasury bonds of 1941–43	177,606.56	
985,000	2½% Treasury bonds of 1955–60	997,696.29	
17,000	2¾% Treasury bonds of 1951–54	17,525.94	
126,000	2¾% Treasury bonds of 1956–59	128,283.76	
55,000	4½% Puerto Rican bonds	55,109.56	
23,000	3¼% Federal Farm Mortgage Corporation bonds of 1944–64	23,566.25	
92,300	4¼% Federal land bank bonds	87,421.77	
52,100	4% consolidated Federal land bank bonds of 1944–46	54,623.75	
290,200	3% consolidated Federal land bank bonds of 1946–56	289,474.50	
2,342,600			2,393,157.45
	Total		7,666,274.99
	Accrued interest paid in 1938 (on investment purchases) repayable in 1939		1,263.24
	Unexpended balance June 30, 1938, on books of Division of Bookkeeping and Warrants		199,589.23
	Total fund assets June 30, 1938		7,867,127.46

Longshoremen's and harbor workers' compensation fund.—This fund was established under the act of March 4, 1927 (44 Stat. 1444, sec. 44), to provide for the payment of compensation for disability or death resulting from injury to employees in certain maritime employments, and for the maintenance of employees undergoing vocational rehabilitation.

The fund is administered by the United States Employees' Compensation Commission. Moneys not required for immediate disbursement are invested by the Treasurer of the United States. During the fiscal year 1938, the Treasurer acquired by purchase for account of the fund $14,800 face amount of 2⅞ percent Treasury bonds of 1955–60 at a principal cost of $14,920.25.

The following statement shows the assets of the fund as of June 30, 1938:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Longshoremen's and harbor workers' compensation fund, June 30, 1938

Assets:		
Face amount	*Principal cost*	
$15,600 3¼% Treasury bonds of 1944–46	$15,600.00	
34,500 4¼% Treasury bonds of 1947–52	38,646.56	
11,550 3¼% Treasury bonds of 1943–45	11,550.00	
10,000 3% Treasury bonds of 1951–55	9,959.38	
14,800 2⅞% Treasury bonds of 1955–60	14,920.25	
14,850 2⅞% Treasury bonds of 1956–59	14,976.20	
9,700 3¼% Federal Farm Mortgage Corporation bonds of 1944–64	9,953.46	
11,000 3% consolidated Federal land bank bonds of 1946–56	10,972.50	
9,700 3¼% consolidated Federal land bank bonds of 1945–55	9,901.74	
22,000 3% consolidated Federal land bank bonds of 1945–55	21,560.00	
153,700		$158,040.09
Unexpended balances:		
Disbursing officer (check book balances)	2,211.20	
Division of Bookkeeping and Warrants	29,714.80	
		31,926.00
Total fund assets June 30, 1938		189,966.09

District of Columbia workers' compensation fund.—This fund was established under the act of May 17, 1928 (45 Stat. 600), which extended the provisions of the Longshoremen's and Harbor Workers' Compensation Act, approved March 4, 1927, including all amendments thereto, to apply in respect to the injury or death of an employee of an employer carrying on certain employments in the District of Columbia, irrespective of the place where the injury or death occurs. The fund is derived from collections of awards against employers made by the United States Employees' Compensation Commission, as compensation for death of employees resulting from injuries, in each case where no person is found to be entitled to such compensation. Any portion of the fund which, in the opinion of the Commission, is not needed for current requirements is invested by the Treasurer of the United States. There were no changes in the investments during 1938.

The following statement shows the fund assets as of June 30, 1938:

District of Columbia workers' compensation fund, June 30, 1938

Assets:		
Face amount	*Principal cost*	
$10,000 2⅞% Treasury bonds of 1955–60	$10,165.63	
11,000 3% consolidated Federal land bank bonds of 1946–56	10,972.50	
21,000		$21,138.13
Unexpended balances:		
Disbursing officer (check book balances)	3,741.75	
Division of Bookkeeping and Warrants	12,103.32	
		15,845.07
Total fund assets June 30, 1938		36,983.20

District of Columbia water fund.—The District of Columbia Appropriation Act of June 29, 1937, authorized the Treasurer of the United States to invest in United States securities, for account of the water fund of the District of Columbia, such funds as may be determined by the Commissioners of the District of Columbia to be available for that purpose. During the year the Treasurer acquired by purchase for account of the fund $736,000 face amount of 2¾ percent Treasury bonds of 1958–63 at a principal cost of $749,110.01; accrued interest paid in 1938 and repayable in 1939 amounted to $505.99.

United States Government life insurance fund.—The United States Government life insurance fund was established under the World War Veterans' Act, 1924, approved June 7, 1924 (43 Stat. 607), which, among other things, consolidated, codified, revised, and reenacted the laws affecting the administration of the War Risk Insurance Act,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

as amended. Under section 17 of the World War Veterans' Act, 1924, as amended, the Secretary of the Treasury is authorized to invest and reinvest the United States Government life insurance fund, or any part thereof, in interest-bearing obligations of the United States or bonds of the Federal farm loan banks and to sell such investments for the purposes of the fund. The fund is also available to the Administrator of Veterans' Affairs for making loans upon the security of Government life insurance policies. The act approved March 3, 1927, as amended by the Emergency Adjusted Compensation Act of February 27, 1931, authorized the Administrator of Veterans' Affairs to make loans to veterans upon their adjusted service certificates out of the United States Government life insurance fund. All of the funds available for investment during the fiscal year 1938 were used to make loans upon Government life insurance policies or were invested in obligations of the United States.

The Administrator of Veterans' Affairs reported outstanding loans from this fund on June 30, 1938, aggregating $143,858,428.06 to veterans on policies. On June 30, 1938, the principal of outstanding loans made subsequent to the enactment of the Adjusted Compensation Payment Act, 1936, upon adjusted service certificates amounted to $2,663,251.12.

Monthly reports are made by the Treasury to the Veterans' Administration of all securities in the fund and the principal cost thereof as the result of investments made by the Secretary of the Treasury, and periodic verifications of the security holdings are made through reports rendered to the Administrator by the safekeeping offices. The investments as of June 30, 1938, were as follows:

United States Government life insurance fund, June 30, 1938

Investment	Par value	Principal cost
4¼% Treasury bonds of 1947–52	$41, 272, 000. 00	$42, 752, 867. 12
4% Treasury bonds of 1944–54	14, 106, 000. 00	15, 078, 333. 48
3¾% Treasury bonds of 1946–56	2, 200, 000. 00	2, 384, 625. 00
3% Treasury bonds of 1951–55	5, 900, 000. 00	6, 051, 109. 38
3⅛% Treasury bonds of 1949–52	1, 250, 000. 00	1, 304, 343. 75
2½% Treasury bonds of 1955–60	113, 543, 250. 00	115, 256, 381. 61
2¾% Treasury bonds of 1945–47	91, 300. 00	93, 442. 02
2¾% Treasury bonds of 1948–51	5, 300, 000. 00	5, 315, 000. 01
2¾% Treasury bonds of 1951–54	17, 745, 000. 00	17, 979, 950. 02
2¾% Treasury bonds of 1956–59	34, 463, 300. 00	34, 749, 736. 35
2½% Treasury bonds of 1949–53	1, 813, 050. 00	1, 772, 892. 93
3% consolidated Federal land bank bonds of 1945–55	19, 280, 000. 00	18, 894, 400. 00
3% consolidated Federal land bank bonds of 1946–56	22, 719, 000. 00	22, 662, 202. 50
4¼% Federal land bank bonds	68, 000. 00	67, 907. 07
4½% adjusted service bonds, Government life insurance fund series, 1946	500, 157, 956. 40	500, 157, 956. 40
2% special Treasury notes, Government life insurance fund series, payable June 30, 1942	23, 000, 000. 00	23, 000, 000. 00
Total investments made by Secretary of the Treasury	802, 908, 856. 40	807, 521, 147. 64
Policy loans outstanding	143, 858, 428. 06	143, 858, 428. 06
Adjusted service certificate loans outstanding	2, 663, 251. 12	2, 663, 251. 12
Total outstanding loans made by Administrator of Veterans' Affairs	146, 521, 679. 18	146, 521, 679. 18
Total investments in fund	949, 430, 535. 58	954, 042, 826. 82

Old-age reserve account.—Section 201 (a) of the Social Security Act, approved August 14, 1935, established in the Treasury the old-age reserve account. The Secretary of the Treasury is required to sub-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

mit annually to the Bureau of the Budget estimates of the appropriations required to be made to this account. The actuarial status of the account is shown on page 56 of this report.

The Secretary of the Treasury invests such portions of the amounts credited to the account as are not, in his judgment, required to meet current withdrawals, in accordance with the procedure outlined in the annual report for 1937. The Treasury Department makes all benefit payments from the account in accordance with the certification by the Social Security Board.

The following statement shows the status of the account as of June 30, 1938:

Old-age reserve account, June 30, 1938 [1]

Credits:		
Appropriations:		
To June 30, 1937	$265,000,000.00	
Available July 1, 1937	500,000,000.00	
		$765,000,000.00
Interest on investments:		
To June 30, 1937	2,261,810.97	
July 1, 1937, to June 30, 1938	15,412,232.89	
		17,674,043.86
Total		782,674,043.86
Less payments on account of benefits:		
To June 30, 1937	26,969.35	
July 1, 1937, to June 30, 1938	5,404,062.87	
		5,431,032.22
Balance in account June 30, 1938		777,243,011.64
Assets:		
Face amount	*Principal cost*	
$264,900,000 3% special Treasury notes payable June 30, 1941	$264,900,000.00	
382,000,000 3% special Treasury notes payable June 30, 1942	382,000,000.00	
15,400,000 3% special Treasury notes payable June 30, 1943	15,400,000.00	
		662,300,000.00
662,300,000		
Unexpended balances June 30, 1938:		
To credit of Chief Disbursing Officer	1,930,620.20	
On books of Division of Bookkeeping and Warrants	113,012,391.44	
		114,943,011.64
Total assets June 30, 1938		777,243,011.64

[1] On basis of daily Treasury statement (unrevised).

Unemployment trust fund.—The unemployment trust fund was established pursuant to section 904 (a) of the Social Security Act, approved August 14, 1935. The Secretary of the Treasury is authorized and directed to receive and hold in the fund all moneys deposited therein by a State agency from a State unemployment fund, and to invest such portion of the fund as is not, in his judgment, required to meet current withdrawals, in accordance with the procedure outlined in the annual report of the Secretary of the Treasury for 1937.

The act provides that the fund shall be invested as a single fund, and that the Secretary of the Treasury shall maintain a separate book account for each State agency and shall credit quarterly on March 31, June 30, September 30, and December 31 of each year to each account, on the basis of the average daily balance of such account, a proportionate part of the earnings of the fund for the quarter ending on such date.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The following statement shows the status of the fund as of June 30, 1938:

Unemployment trust fund, June 30, 1938 [1]

Credits:		
On account of deposits by State agencies:		
To June 30, 1937	$310,560,409.78	
July 1, 1937, to June 30, 1938	747,660,496.77	
		$1,058,220,906.55
Interest on investments:		
To June 30, 1937	2,828,882.86	
July 1, 1937, to June 30, 1938	15,172,022.11	
		18,000,904.97
Total		1,076,221,811.52
Less withdrawals by State agencies		191,975,000.00
Balance in fund June 30, 1938		884,246,811.52
Assets:		
$872,000,000 face amount 2½% Treasury certificates of indebtedness, unemployment trust fund series, maturing June 30, 1939, principal cost		872,000,000.00
Cash balance with Treasurer of the United States		12,246,811.52
Total fund assets June 30, 1938		884,246,811.52

[1] On basis of daily Treasury statement (unrevised).

The following statement shows the amounts to the credit of State agencies as of June 30, 1938:

Amounts of unemployment trust fund, June 30, 1938, credited to account of each State agency

State	Total deposits from State unemployment fund	Net earnings credited to account	Total withdrawals from account	Balance to credit of State agency June 30, 1938
Alabama	$11,516,270.44	$207,820.90	$4,250,000.00	$7,474,091.34
Alaska	498,958.23	3,623.36		502,581.59
Arizona	2,741,213.37	44,097.23	1,200,000.00	1,585,310.60
Arkansas	3,575,206.47	40,550.14		3,615,756.61
California	91,161,400.00	1,713,025.52	12,200,000.00	80,674,425.52
Colorado	6,330,821.02	124,202.53		6,455,023.55
Connecticut	20,553,000.00	355,171.28	8,250,000.00	12,658,171.28
Delaware	2,801,683.16	21,716.99		2,823,400.15
District of Columbia	8,659,228.70	188,405.79	825,000.00	8,022,634.49
Florida	6,995,820.77	57,707.18		7,053,527.95
Georgia	10,767,192.82	91,905.17		10,859,097.99
Hawaii	2,148,537.76	16,078.28		2,164,616.04
Idaho	2,495,453.94	49,642.92		2,545,096.86
Illinois	84,314,013.81	464,422.54		84,778,436.35
Indiana	29,051,179.43	688,043.67	2,500,000.00	27,239,223.10
Iowa	9,750,000.00	169,722.75		9,919,722.75
Kansas	7,122,280.08	78,795.43		7,201,075.51
Kentucky	13,182,000.00	229,507.80		13,411,507.80
Louisiana	11,275,000.00	201,118.52	1,750,000.00	9,726,118.52
Maine	4,900,000.00	83,318.09	2,700,000.00	2,283,318.09
Maryland	12,800,000.00	198,883.10	6,300,000.00	6,698,883.10
Massachusetts	58,000,000.00	1,058,076.26	15,000,000.00	44,058,076.26
Michigan	61,026,260.15	1,007,262.99		62,033,523.14
Minnesota	16,400,000.00	261,419.34	5,500,000.00	11,161,419.34
Mississippi	3,241,978.76	65,314.30	650,000.00	2,657,293.06
Missouri	24,094,668.20	148,029.36		24,242,697.56
Montana	3,050,697.20	33,037.21		3,083,734.41
Nebraska	4,801,135.90	37,823.51		4,838,959.41
Nevada	1,028,946.31	12,084.56		1,041,030.87
New Hampshire	5,337,488.27	103,985.19	2,070,000.00	3,371,473.46
New Jersey	43,726,000.00	807,936.83		44,533,936.83
New Mexico	1,625,000.00	32,860.92		1,657,860.92
New York	146,800,000.00	2,847,681.06	50,000,000.00	99,647,681.06
North Carolina	13,775,000.00	238,923.36	5,575,000.00	8,438,923.36
North Dakota	1,263,116.11	13,135.64		1,276,251.75
Ohio	69,104,379.66	1,291,265.77		70,395,645.43
Oklahoma	9,585,000.00	179,591.86		9,764,591.86
Oregon	8,496,768.94	158,799.00	4,000,000.00	4,655,567.94
Pennsylvania	103,302,000.00	1,751,926.50	38,500,000.00	66,553,926.50
Rhode Island	11,675,006.71	192,816.83	6,800,000.00	5,067,823.54
South Carolina	6,025,000.00	120,796.97		6,145,796.97
South Dakota	1,340,000.00	27,040.50		1,367,040.50
Tennessee	10,420,000.00	176,452.15	3,500,000.00	7,096,452.15
Texas	29,395,000.00	536,493.55	4,200,000.00	25,731,493.55

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Amounts of unemployment trust fund, June 30, 1938, credited to account of each State agency—Continued

State	Total deposits from State unemployment fund	Net earnings credited to account	Total withdrawals from account	Balance to credit of State agency June 30, 1938
Utah	$3,303,367.70	$57,520.73	$1,725,000.00	$1,635,888.43
Vermont	1,930,072.41	33,572.63	575,000.00	1,388,645.04
Virginia	11,775,000.00	204,490.37	2,950,000.00	9,029,490.37
Washington	12,975,602.61	134,744.43		13,110,347.04
West Virginia	13,667,467.76	199,569.83	8,600,000.00	5,267,037.59
Wisconsin	39,150,889.75	1,222,724.59	7,100,000.00	33,273,614.34
Wyoming	1,632,467.75	17,769.54		1,650,237.29
Total	1,060,587,574.19	18,000,904.97	196,720,000.00	881,868,479.16
Less deposits not cleared by Treasurer	2,366,667.64			−2,366,667.64
Less outstanding checks			4,745,000.00	+4,745,000.00
Total, adjusted to daily Treasury statement basis (unrevised)	1,058,220,906.55	18,000,904.97	191,975,000.00	884,246,811.52

Railroad retirement account.—The railroad retirement account was established pursuant to section 15 (a) of the Railroad Retirement Act of 1937, approved June 24, 1937. The Railroad Retirement Board is required to submit annually to the Bureau of the Budget an estimate of the appropriation to be made to the account for each fiscal year, beginning with the fiscal year 1937, in an amount as an annual premium sufficient, with a reasonable margin for contingencies, to provide for the payment of all annuities, pensions, and death benefits, and all amounts credited to the account are available for such purposes.

The Secretary of the Treasury, at the request and direction of the Railroad Retirement Board, invests such portion of the amounts credited to the account as, in the judgment of the Board, is not immediately required for the payment of annuities, pensions, and death benefits, in accordance with the procedure outlined in the Annual Report of the Secretary of the Treasury for 1937.

The following statement shows the status of the account as of June 30, 1938:

Railroad retirement account, June 30, 1938 [1]

Credits:		
Appropriations:		
To June 30, 1937	$46,620,000.00	
Available July 1, 1937	99,880,000.00	
		$146,500,000.00
Interest on investments:		
July 1, 1937, to June 30, 1938		1,410,821.92
Total		147,910,821.92
Less payments on account of benefits:		
To June 30, 1937	3,985,323.28	
July 1, 1937, to June 30, 1938	75,863,732.90	
		79,849,056.18
Balance in account June 30, 1938		68,061,765.74
Assets:		
Face amount	*Principal cost*	
$65,000,000 3% special Treasury notes payable June 30, 1942	$65,000,000.00	
1,200,000 3% special Treasury notes payable June 30, 1943	1,200,000.00	
		66,200,000.00
66,200,000		
Unexpended balances June 30, 1938:		
To credit of Chief Disbursing Officer	1,627,601.60	
On books of Division of Bookkeeping and Warrants	234,164.14	
		1,861,765.74
Total assets June 30, 1938		68,061,765.74

[1] On basis of daily Treasury statement (unrevised).

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Library of Congress trust fund.—Under the act of March 3, 1925, as amended, the Library of Congress Trust Fund Board, consisting of the Secretary of the Treasury, the chairman of the Joint Committee on the Library, the Librarian of Congress, and two persons appointed by the President, is authorized to accept, receive, hold, and administer such gifts or bequests of personal property for the benefit of or in connection with the Library, its collections, or its service as may be approved by the Board and by the Joint Committee on the Library. The moneys or securities given or bequeathed to the Board are required to be receipted for by the Secretary of the Treasury, who is authorized to invest, reinvest, or retain investments as the Board may determine.

The act approved June 23, 1936, amended section 2 of the act of March 3, 1925, so as to authorize the Board in its discretion, unless prevented by the terms of a gift or bequest, to deposit the principal of any gift or bequest with the Treasurer of the United States as a permanent loan with interest at the rate of 4 percent per annum, payable semiannually, provided that such principal sums held by the Treasurer shall not exceed $5,000,000 at any time. The Board continued during the fiscal year 1938 its authorization to sell from time to time certain securities held under various donations and to deposit the principal proceeds of such sales in the permanent loan account. Total deposits in the permanent loan account from this source during the year amounted to $419,399.36. All other investments during the year were made by deposits in the permanent loan fund.

During the year the Board accepted two additional gifts from Gertrude Clarke Whittall aggregating $75,000 for deposit in the permanent loan account to augment her previous gift of $100,000 and to be used for the same purposes, namely, the income to be applied through the Music Division of the Library to the maintenance of the collection of Stradivari instruments and Tourte bows given by Mrs. Whittall to the Library, and to the program of music within the Library in which those instruments are used.

The property devised and bequeathed to the United States by the last will and testament of Joseph Pennell, deceased, referred to on page 98 of the annual report for 1936, was transferred to the Board during the year.

The following statement shows the earnings credited to each donation as of June 30, 1938:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Library of Congress trust fund earnings to June 30, 1938

Donation	Total to June 30. 1937	Fiscal year 1938	Total to June 30, 1938
	Income account, securities		
Babine	$1,783.08		$1,783.08
Beethoven	3,751.96	$500.00	4,251.96
Benjamin	26,016.90	2,636.40	28,653.30
Bowker	1,000.84	84.20	1,085.04
Carnegie	34,330.98	2,257.38	36,588.36
Coolidge	83,402.92	5,047.88	88,450.80
Guggenheim	28,030.19	3,750.00	31,780.19
Huntington	64,351.25		64,351.25
Longworth	757.02		757.02
Pennell	500.00	25,177.82	25,677.82
Wilbur	99,890.67	6,672.20	106,562.87
Total	343,815.81	46,125.88	389,941.69
	Income account, permanent loan fund		
Babine	$0.55	$264.91	$265.46
Beethoven		4.36	4.36
Benjamin			
Bowker			
Carnegie	.04	2,601.35	2,601.39
Coolidge	11.37	2,429.65	2,441.02
Guggenheim	.04	32.48	32.52
Huntington		4,535.88	4,535.88
Longworth	4.53	302.58	307.11
Pennell		1,942.66	1,942.66
Whittall	3,103.83	7,805.48	10,909.31
Wilbur	116.33	7,617.68	7,734.01
Total	3,236.69	27,537.03	30,773.72
Grand total	347,052.50	73,662.91	420,715.41

The status of the permanent loan account as of June 30, 1938, is as follows:

Library of Congress Trust Fund Board, permanent loan account, June 30, 1938

Donation	Amount	Donation	Amount
Babine	$6,627.08	Longworth	$7,564.38
Beethoven	109.13	Pennell	91,272.47
Carnegie	88,365.58	Whittall	175,000.00
Coolidge	71,336.57	Wilbur	252,907.65
Guggenheim	812.12		
Huntington	113,396.99	Total	807,391.97

The following statement shows the securities held by the Board for account of each donation as of June 30, 1938. The securities are held in safekeeping by the Treasurer of the United States and certain Federal Reserve banks, subject to the order of the Secretary of the Treasury, for account of the Board.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Securities held by the Library of Congress Trust Fund Board, June 30, 1938

Name of security	Face amount or par value	Rate of interest	Class of security
Beethoven Association donation			
		Percent	
Canadian National Railways	$10,000.00	5	Guaranteed gold bonds.
William E. Benjamin donation			
Standard Oil Co. of California	33,800.00	----------	Common stock.
R. R. Bowker donation [1]			
U. S. Government	1,000.00	2⅞	Treasury bonds of 1955-60.
German Government	2,000.00	7	German external loan.
Japanese Government	2,000.00	6½	Sinking fund gold bonds.
American Telephone & Telegraph Co	4,800.00	----------	Common stock.
Carnegie donation			
Missouri Pacific R. R. Co	5,000.00	5	First and refunding mortgage bonds.
Elizabeth Sprague Coolidge donation			
Canadian National Railways	10,000.00	5	Guaranteed gold bonds.
Chicago Railways Co	3,750.00	5	First mortgage bonds.
Missouri Pacific R. R. Co	2,000.00	5	First and refunding mortgage bonds.
Public Service Co. of Northern Illinois	13,000.00	5	Do.
Utah Power & Light Co	10,000.00	5	First mortgage bonds.
American Ship Building Co	6,000.00	----------	Common stock.
American Telephone & Telegraph Co	17,100.00	----------	Do.
Board of Trade Building Trust of Boston	700.00	----------	Do.
Commonwealth Edison Co	12,400.00	----------	Do.
Harry F. Guggenheim donation			
Harbor Commissioners of Montreal	75,000.00	5	Guaranteed gold bonds.
Archer M. Huntington donation			
Missouri Pacific R. R. Co	49,500.00	5	First and refunding mortgage bonds.
Joseph Pennell donation			
Lehigh Valley R. R. Co	5,000.00	4	General consolidated mortgage gold bonds.
Great Northern Railway Co	2,000.00	5½	General mortgage gold bonds.
Lehigh & New England R. R. Co	3,000.00	4	General mortgage bonds.
National Railways of Mexico	45.00	6	Secured gold note.
Do	3,000.00	4½	Prior lien gold bonds.
Pennsylvania R. R. Co	5,000.00	4½	General mortgage bonds.
Do	5,000.00	4¼	Do.
Pennsylvania and New York Canal & R. R. Co	1,000.00	5	Consolidated mortgage bond.
Reading Co	11,000.00	4½	General and refunding mortgage bonds.
Electric & Peoples Traction stock trust certificates	500.00	4	Registered certificate of deposit.
Erie Lighting Co	5,000.00	5	Sinking fund gold bonds.
Georgia Power Co	7,000.00	5	First and refunding mortgage bonds.
New York Power & Light Co	8,000.00	4½	First mortgage gold bonds.
Ohio Power Co	5,000.00	4½	First and refunding mortgage bonds.
Penn Central Light & Power Co	10,000.00	4½	First mortgage gold bonds.
Pennsylvania Power & Light Co	15,000.00	4½	Do.
Pennsylvania Water & Power Co	6,000.00	5	First mortgage sinking fund bonds.
Commonwealth Edison Co	2,000.00	5	First mortgage bonds.
Kansas Power & Light Co	5,000.00	4½	Do.
Metropolitan Edison Co	3,000.00	4½	Do.
Potomac Edison Co	10,000.00	5	First mortgage gold bonds.
Consolidation Coal Co	3,000.00	5	Sinking fund gold bonds.
Pennsylvania Co	8,000.00	4	Secured bonds.
Philadelphia & Reading Coal & Iron Co	1,000.00	5	Sinking fund gold bonds.
United States of Mexico	429.30	----------	Rights to interest in arrears.
Do	810.00	----------	Do.
Fire Association of Philadelphia	150.00	----------	Common stock.
Insurance Company of North America	(2)	----------	Do.
Lehigh Valley Coal Corp	300.00	----------	Do.
Pennsylvania Railroad Co	6,700.00	----------	Do.
Westmoreland Coal Co	(2)	----------	Do.
Westmoreland Inc	(2)	----------	Do.
James B. Wilbur donation			
Canadian National Railways	44,000.00	5	Guaranteed gold bonds.
Total	433,984.30		

[1] Life interest in ⅔ of income retained under terms of donation.
[2] No par.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

National Institute of Health gift fund.—By the act of May 26, 1930 (46 Stat. 379), the Secretary of the Treasury is authorized to accept unconditional gifts for study, investigation, and research in the fundamental problems of the diseases of man, and for other purposes. It is also provided that he may accept conditional gifts upon the recommendation of the Surgeon General and the National Institute of Health. Any such gifts are to be held in trusts and invested by the Secretary of the Treasury in securities of the United States.

The receipts and expenditures of the conditional gift fund during the year were as follows:

National Institute of Health conditional gift fund, receipts and expenditures, fiscal year 1938

Unexpended balance June 30, 1937 [1]		$1,566.56
Receipts:		
Donation, Corn Industries Research Foundation		5,000.00
Net earnings collected on investment account of Chemical Foundation		3,674.23
Principal cost of securities sold during year, Chemical Foundation account		2,231.36
Total		12,472.15
Expenditures, advances to institute:		
Chemical Foundation donation	$5,038.29	
Rockefeller Foundation donation, dental survey	1,040.27	
Corn Industries Research Foundation	1,000.00	
		7,078.56
Unexpended balance June 30, 1938		5,393.59

[1] After making an adjustment, the correct balances were as follows: Chemical Foundation, $526.29; Rockefeller Foundation, $1,040.27.

The following statement shows the status of the fund as of June 30, 1938:

National Institute of Health conditional gift fund, June 30, 1938

Credits:		
Donations:		
Chemical Foundation	$100,000.00	
Rockefeller Foundation	22,000.00	
Corn Industries Research Foundation	5,000.00	
		$127,000.00
Net earnings on investments, Chemical Foundation		27,727.54
Total		154,727.54
Less advances to meet expenditures on account of the institute:		
Chemical Foundation	33,732.74	
Rockefeller Foundation, dental survey	15,000.00	
Rockefeller Foundation, county health work	7,000.00	
Corn Industries Research Foundation	1,000.00	
		56,732.74
Balance in fund June 30, 1938		97,994.80
Assets:		
$83,000 face amount 4¼% Treasury bonds of 1947–52, principal cost		92,601.21
Unexpended balance on books of Division of Bookkeeping and Warrants:		
Chemical Foundation	1,393.59	
Corn Industries Research Foundation	4,000.00	
		5,393.59
Total fund assets June 30, 1938		97,994.80

National park trust fund.—Under the act of July 10, 1935 (49 Stat. 477), the National Park Trust Fund Board, consisting of the Secretary of the Treasury, the Secretary of the Interior, the Director of the National Park Service, and two persons appointed by the President, was created and established and is authorized to accept, receive, hold, and administer such gifts or bequests of personal property for the benefit of, or in connection with, the National Park Service, its activities, or its service, as may be approved by the Board, but no such gift or bequest which entails any expenditure not to be met out of the gift, bequest, or the income thereof shall be accepted without the consent of Congress. The moneys or securities given or be-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

queathed to the Board are required to be receipted for by the Secretary of the Treasury, who is authorized to invest, reinvest, or retain investments as the Board may determine. Income from investments shall be covered into the national park trust fund.

The Board accepted during the year a donation of $3,000 from the Metro-Goldwyn-Mayer Corporation. This donation was made in appreciation of the privileges accorded the company in filming a motion picture in the national parks.

The following statement shows the status of the fund as of June 30, 1938:

National park trust fund, June 30, 1938

Credits:		
Donations:		
Metro-Goldwyn-Mayer Distributing Corporation		$5,000.00
Universal Pictures Corporation		3,000.00
Twentieth Century Fox Film Corporation		1,000.00
Metro-Goldwyn-Mayer Corporation		3,000.00
Interest earned on investments		400.94
Total		12,400.94
Assets:		
$11,950 face amount of 2⅞% Treasury bonds of 1955–60, principal cost		12,186.04
Unexpended balances:		
On books of Division of Bookkeeping and Warrants	$181.29	
To credit of disbursing officers	33.61	
		214.90
Total fund assets June 30, 1938		12,400.94

Ainsworth library fund, Walter Reed General Hospital.—Under the joint resolution of Congress approved May 23, 1935 (49 Stat. 287), the adjutant, Walter Reed General Hospital, was authorized to accept the bequest of the late Maj. Gen. Fred C. Ainsworth, as contained in his last will and testament, and to receipt therefor on behalf of the United States, and to deposit the funds so received in the Treasury of the United States as a special fund dedicated to the purpose of establishing a permanent library at the Walter Reed General Hospital, to be known as the "Fred C. Ainsworth Endowment Library," said fund to be subject to disbursement for such purpose upon vouchers submitted by the adjutant, Walter Reed General Hospital, and to be available until expended. The administration, control, and expenditure of the fund and its application to the purposes intended shall be according to the sole discretion of the adjutant, Walter Reed General Hospital.

The Treasurer of the United States, upon the written request of the adjutant, Walter Reed General Hospital, is authorized to invest and reinvest any part or all of the corpus of the bequest, as well as any income therefrom, in interest-bearing United States Government bonds, and to retain custody thereof.

The following statement shows the status of the fund as of June 30, 1938:

Ainsworth library fund, Walter Reed General Hospital, June 30, 1938

Receipts:		
Bequest of Maj. Gen. Fred C. Ainsworth		$10,700.00
Net earnings on investments		418.31
		11,118.31
Expenditures		1,046.91
Balance in fund June 30, 1938		10,071.40
Assets:		
$9,700 2⅞% Treasury bonds of 1955–60, principal cost		9,972.81
Unexpended balance on books of Division of Bookkeeping and Warrants		98.59
Total fund assets June 30, 1938		10,071.40

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Pershing Hall Memorial fund.—The act of June 28, 1935 (49 Stat. 426), authorized the appropriation of $482,032.92 of the recreation fund—Army, created by the War Department Appropriation Act, approved March 4, 1933, for effecting a settlement of any indebtedness connected with Pershing Hall, a memorial already erected in Paris, France, under the auspices of the American Legion, Inc., to the commander-in-chief, officers, men, and auxiliary services of the American Expeditionary Forces. It provided that this amount would not be used for the purposes set forth in the act until legal title to Pershing Hall had been vested in the United States Government for the use and benefit of all American officers and enlisted men of the World War. It further provided that the balance remaining after settlement of the indebtedness would be retained in a special fund to be known as the Pershing Hall Memorial fund. Under the terms of the act, the Secretary of the Treasury is authorized (a) to invest and reinvest the corpus of this fund in interest-bearing United States Government bonds, and (b) upon request of the American Legion, Inc., to pay to the national treasurer of the Legion any part of the earnings upon the fund for use in the maintenance and/or perpetuation of Pershing Hall. An appropriation for those purposes was provided by the act of August 12, 1935 (49 Stat. 594).

On August 3, 1936, the Secretary of the Treasury acting in conjunction with the Attorney General completed acquisition of Pershing Hall for the United States. Liquidation of the mortgage on Pershing Hall required an expenditure of $213,643.28. An additional $73,936.42 has been expended for the payment of contractors' and other claims constituting indebtedness connected with Pershing Hall.

The status of the fund as of June 30, 1938, was as follows:

Pershing Hall Memorial fund, June 30, 1938

Credits:		
Appropriation by Congress	$482,032.92	
Interest on investment	11,499.60	
Total		$493,532.52
Less disbursements on account of current claims and expenses		287,579.70
Balance in fund June 30, 1938		205,952.82
Assets:		
$198,050 2¾% Treasury bonds of 1951–54, principal cost	201,392.09	
Balance to credit of fund on books of Treasury and in the hands of disbursing officers	4,560.73	
Total		205,952.82

Alien property trust fund.—Under the act of October 6, 1917, as amended, and the Settlement of War Claims Act of 1928, approved March 10, 1928 (45 Stat. 254), as amended, the Secretary of the Treasury held on June 30, 1938, Government securities in the face amount of $30,710,200 for account of the Attorney General, Alien Property Bureau. A statement of the alien property trust fund as of September 15, 1938, follows:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Alien property trust fund, September 15, 1938

Credits:			
Trusts			$37,312,712.51
Earnings on investments, etc			32,839,264.39
Total			70,151,976.90
Assets:			
Face amount		*Principal at amortized cost*	
$9,800,000	4% Treasury bonds of 1944–54	$10,210,131.22	
5,100,000	3¼% Treasury bonds of 1943–45	5,100,000.00	
10,200	2½% Treasury notes payable June 15, 1939	10,413.56	
1,100,000	3% Treasury bonds of 1951–55	1,133,264.55	
500,000	3⅛% Treasury bonds of 1949–52	516,776.47	
6,730,000	2⅞% Treasury bonds of 1955–60	6,765,150.92	
3,300,000	2¾% Treasury bonds of 1945–47	3,300,000.00	
350,000	2¾% Treasury bonds of 1951–54	350,000.00	
200,000	2% Treasury notes payable September 15, 1942	200,000.00	
250,000	2¾% Treasury bonds of 1956–59	249,765.63	
3,370,000	2¾% Treasury bonds of 1958–63	3,372,962.70	
			31,208,465.05
30,710,200			
Accrued interest receivable			197,521.29
Participating certificates issued under sec. 25 (e) of the Trading with the Enemy Act:			
Noninterest-bearing		$21,000,000.00	
5% interest-bearing		17,552,096.91	
			38,552,096.91
Cash with Treasurer of the United States			193,893.65
Total fund assets Sept. 15, 1938			70,151,976.90

Checks were issued by the Treasury Department during the fiscal year to the Attorney General, Alien Property Bureau, on account of the alien property trust fund for the following purposes:

Distribution of income	$155,000
Distribution of Government earnings	170,000
Administrative expenses	260,000
Total	585,000

Special funds

Colorado River Dam fund.—This fund was established under the act of December 21, 1928, to provide for the construction of works commonly referred to as the Boulder Canyon project. All revenues received in carrying out the provisions of the act are payable into the fund and expenditures are made out of the fund, under the direction of the Secretary of the Interior.

The Secretary of the Treasury is authorized to advance to the fund from time to time, within the appropriations therefor, such amounts as the Secretary of the Interior deems necessary for carrying out the provisions of the act, except that the aggregate amount of such advances shall not exceed $165,000,000. Further information with respect to this fund appears on page 105 of the annual report for 1936.

The status of the advances made to the fund as of June 30, 1938, was as follows:

Advances to Colorado River Dam fund, June 30, 1938

Advances from General Fund:		
Fiscal years 1931–37	$106,784,734.51	
Fiscal year 1938	5,885,000.00	
		$112,669,734.51
Interest:		
Fiscal years 1931–37	14,928,721.09	
Fiscal year 1938	4,943,424.75	
Total	19,872,145.84	
Less amount covered into the Treasury as miscellaneous receipts	2,825,631.58	
		[1] 17,046,514.26
Total liability to General Fund		129,716,248.77

[1] Payment of interest due June 30, 1938, $17,046,514.26, deferred for 1 year under sec. 2 (d) of the act of Dec. 21, 1928.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Advances to reclamation fund.—Under the act of Congress approved June 17, 1902 (32 Stat. 388), there was established in the Treasury a special fund known as the reclamation fund, representing receipts from the sale of public lands in certain States and Territories to be used for the construction of irrigation works for the reclamation of arid lands. Pursuant to the act of June 25, 1910 (36 Stat. 835), the Secretary of the Treasury advanced to the reclamation fund from the General Fund of the Treasury $20,000,000. The act of June 12, 1917 (40 Stat. 149), provided for the reimbursement of the money so advanced through the transfer of $1,000,000 annually from the reclamation fund to the General Fund of the Treasury beginning July 1, 1920, and continuing until full reimbursement is made. Beginning with the fiscal year 1921 there has been returned to the General Fund $1,000,000 annually, making a total of $10,000,000 for the 10 years ended with the fiscal year 1930. The Deficiency Act of February 6, 1931, provided for a suspension of the annual payments for a period of 2 years; the act of April 1, 1932, as amended by the act of March 3, 1933, and the act of June 22, 1936, provided for a further extension until the fiscal year beginning July 1, 1938.

The Deficiency Act approved March 4, 1931, appropriated an additional advance of $5,000,000 to the reclamation fund from the General Fund, all of which was advanced between April 28, 1931, and November 30, 1931.

The following statement shows the status of the account as of June 30, 1938:

Charges:	
Advances from the General Fund:	
Under act of June 25, 1910	$20,000,000
Under act of Mar. 4, 1931	5,000,000
Total	25,000,000
Less repayment of advances to June 30, 1930 [1]	10,000,000
Unreimbursed balance	15,000,000

[1] Installments for 1931–38 suspended.

Provision for reimbursement of the above-mentioned amount was made in the Interior Department Appropriation Act, 1939, approved May 9, 1938.

Division of Deposits

The Division of Deposits is charged with the administration of all matters pertaining to the designation and supervision of Government depositaries and the deposit of Government funds in such depositaries, as prescribed by regulations incorporated in Department Circulars Nos. 92 and 176, as amended; the qualification of Federal savings and loan associations and Federal credit unions as fiscal agents of the United States under Department Circular No. 568; and the execution of the duties devolving upon the Secretary of the Treasury as a result of the enactment of the Government Losses in Shipment Act.

104825—39——9

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Depositary functions.—The following statement shows the number and classes of depositaries maintained by the Treasury and the Government deposits held by such depositaries on June 30, 1938:

Number of depositaries and amount of Government deposits held on June 30, 1938, by class of depositaries

Depositaries	Number	Amount
Federal Reserve banks (including branches)	12	$859,904,165.41
Federal Reserve member bank depositaries:		
To credit of Treasurer of the United States	[1] 1,266	10,048,438.01
To credit of other Government officers		28,555,597.24
Insular and Territorial depositaries (including Philippine Treasury):		
To credit of Treasurer of the United States	13	4,738,211.30
To credit of other Government officers		2,515,271.93
Foreign depositaries:		
To credit of Treasurer of the United States	12	1,121,980.53
To credit of other Government officers		2,053,659.42
Special depositaries	[2] 2,467	610,527,176.95
Total	3,770	1,519,464,500.79

[1] In addition, 289 branch banks are carried on the depositary list of the Treasury under the designation of the parent banks.
[2] Includes 1,444 national banks and 1,023 State banks and trust companies, of which 1,544 held deposits on June 30, 1938.

Approximately 1,047 changes and adjustments were effected within the depositary system during the fiscal year 1938. These adjustments are summarized in the following table:

	Member bank depositaries	Special depositaries
Designated	33	89
Discontinued	33	205
Amounts for which qualified increased	199	27
Amounts for which qualified decreased	110	----------
Miscellaneous changes	351	----------

The administrative report of the Division of Deposits, contained in the annual report of the Secretary of the Treasury for the fiscal year ended June 30, 1937, outlined in detail certain major changes initiated during that year in the collection and deposit procedure of the Treasury. This phase of the work continued during the fiscal year 1938 with the result that deposits cleared through general member bank depositaries increased from approximately $1,000,000,000 in 1937 to $1,800,000,000 during the fiscal year 1938.

Federal savings and loan associations and Federal credit unions.—On June 30, 1938, a total of 542 Federal savings and loan associations and Federal credit unions were reported to the Treasury as being eligible to qualify as fiscal agents under Treasury Department Circular No. 568 for the purpose of taking applications from their own members and forwarding remittances for, and making delivery of, United States savings bonds, and, of this number, 165 have qualified either by the pledge of collateral security or the execution of surety bonds in the amount of $5,000 each. The Federal savings and loan associations so qualified may be employed also as fiscal agents of the United States for the purpose of collecting delinquent accounts arising out of insurance and loan transactions of the Federal Housing Admin-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

istrator under title I of the National Housing Act. In addition, on account of their limited membership, 923 Federal savings and loan associations were reported as being eligible to qualify as fiscal agents, under Treasury Department Circular No. 568, solely for the purpose of collecting delinquent accounts arising out of insurance and loan transactions of the Administrator under title I of the National Housing Act, and 52 associations of this group qualified for this purpose either by the pledge of collateral security or the execution of surety bonds in the amount of $1,000 each.

Government Losses in Shipment Act.—Under the Government Losses in Shipment Act, approved July 8, 1937 (50 Stat. 479), a copy of which appears as exhibit 51 on page 302 of this report, there was established in the Treasury a revolving fund known as the fund for the payment of Government losses in shipment and there was authorized to be appropriated to such fund an initial amount of $500,000; annual appropriations of $200,000 for each of the fiscal years 1939 to 1948, inclusive, and, from time to time, such additional sums as may be necessary for the purposes of the fund. The act made available two methods of replacement of losses which might result to the executive departments and to various governmental organizations in consequence of "shipments" of "valuables" as these terms are defined in the act.

Heretofore, reimbursement of losses was effected by means of insuring with private insurance companies. The practice of insuring with private insurance companies resulted from the fact that it was necessary for the efficient operation of the administrative machinery of the Government that, in event of loss, there should be available a means of prompt duplication or reimbursement, and the existing appropriation machinery was inadequate to that end.

The enactment of the Government Losses in Shipment Act is calculated to result in a substantial monetary saving to the Government inasmuch as experience over a period of years reveals that large sums of money were paid by the United States to private insurance companies in order to obtain the reimbursement of such losses as might result during the transportation of such articles as money, bonds, notes, and the like, whereas the actual losses sustained by the insurance companies were infinitesimal by comparison. Experience reveals also that investigations of losses and recoveries were made invariably by the United States Secret Service or some other governmental investigating bureau.

The methods of replacement of valuables, or the value thereof, provided under the Government Losses in Shipment Act, referred to above, are:

1. That replacement shall be made out of the revolving fund under the control of the Secretary of the Treasury, except:

2. That the Comptroller General of the United States is authorized and directed to make credit in the settlement of accounts in the General Accounting Office in such cases as the Secretary of the Treasury may determine that replacement can be effected, in whole or in part, without actual or ultimate injury to the United States, by such credit.

There was issued by the Secretary of the Treasury and the Postmaster General under date of July 16, 1937, to become effective on and after August 15, 1937, Treasury Department Circular No. 576—Post Office Department Reg. No. 1 (see exhibit 52, p. 306), containing

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

provisional regulations governing the shipment of valuables pursuant to the Government Losses in Shipment Act.

Under section 4 of the act, the Secretary of the Treasury has authority, under certain conditions, to grant exemptions to the provision of the act which prohibits the payment of premiums on insurance against loss, destruction or damage in the shipment of valuables by the departments and governmental organizations concerned. An exemption was ordered, under date of August 12, 1937, with respect to shipments of gold and silver coin or bullion to, from, between, or within foreign countries under the provisions of the Gold Reserve Act of 1934, as amended, and the Silver Purchase Act of 1934.

Also, as provided in section 6 of the act, the Secretary of the Treasury has the power, with the approval of the President, to make such rules and regulations as may be necessary for the execution of the functions vested in him by the act. Under this section, there was issued, under date of August 13, 1937, and supplemented under date of August 20, 1937, Treasury Department Circular No. 577, copies of which appear as exhibits 53 and 54 on pages 307 and 311, which prescribes regulations governing claims for replacement of valuables, or the value thereof, shipped pursuant to the Government Losses in Shipment Act.

No claims for losses were paid during the fiscal year 1938. The value of articles reported to have been shipped from August 15, 1937, to June 30, 1938, under the Government Losses in Shipment Act, of classes which were insured with private insurance companies against loss in transit by the Government prior to the enactment of the act, amounted to $7,828,602,642. The following table shows the estimated premium savings on such shipments:

Table of estimated premium savings for the period August 15, 1937, to June 30, 1938

On basis of premium rates for:	*Estimated premium savings*
Fiscal year 1938 [1]	$160,000
Fiscal year 1937 [2]	200,000
Fiscal years 1936-38 [3]	192,000

[1] Lowest rates under insurance contract system.
[2] Rates in effect at time estimates of premium savings were presented to Congress.
[3] Average based on rates effective in last three years.

Other classes of articles, having a total face value of $21,367,216,484, which are covered under the provisions of the Government Losses in Shipment Act, have not been included in the calculation of the estimated premium savings in the above table because, as a practice, the Government did not insure the subject articles prior to the enactment of the act.

Number and amount of claims presented and settlement and adjustment thereof, fiscal year 1938

	Number	Amount
Shipments reported lost	5	$469.11
Settled without replacement or credit	2	36.75
Unadjusted June 30, 1938	3	432.36

Section of Surety Bonds

On June 30, 1938, there were 67 domestic companies holding certificates of authority from the Secretary of the Treasury under the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

act of Congress approved August 13, 1894, as amended by the act approved March 23, 1910, qualifying them as sole sureties on recognizances, stipulations, bonds, and undertakings permitted or required by the laws of the United States, to be given with one or more sureties. There were also six branches of foreign companies holding certificates of authority authorizing them to act only as reinsurers on bonds in favor of the United States. During the year one certificate of authority of a domestic company, which had voluntarily ceased to write new business, expired; and one certificate of authority was issued to a domestic company to qualify as sole surety on bonds in favor of the United States.

Division of Bookkeeping and Warrants

The Division of Bookkeeping and Warrants, in the name of the Secretary of the Treasury, issues all warrants on the Treasurer of the United States, and under section 10 of the act of July 31, 1894 (U. S. C., title 5, sec. 255), keeps the official accounts relating to the receipt, appropriation, and expenditure of the public moneys, covering all departments and establishments of the Government. This Division makes analyses of acts of Congress carrying appropriations and maintains the necessary appropriation accounts on its ledgers; it issues warrants for placing disbursing funds to the credit of disbursing officers, for the payment by the Treasury of claims settled by the General Accounting Office, and for covering into the Treasury the revenues and receipts of the Government. It handles the work involved in the Secretary's special deposit accounts, including alien property trusts and offers in compromise, the approval of the issuance of duplicate checks (see sec. 9 of the Government Losses in Shipment Act printed as exhibit 51, p. 302, and the new regulations based thereon printed as exhibit 55, p. 311), and outstanding liability claims; compiles, for submission to the Bureau of the Budget, the estimates of appropriations for the service of the Treasury; maintains budgetary accounts relating to apportionments and obligations of funds pertaining to all departments and establishments of the Government, including governmental corporations operating on public funds, pursuant to the provisions of the Executive order of July 27, 1933.

In addition to the above this Division compiles and publishes an annual digest of the appropriations made by Congress and an annual combined statement of the receipts, expenditures, and unexpended balances under each appropriation account.

Statements of the receipts and expenditures of the Government for the fiscal year 1938, compiled by this Division, are shown as tables 1 and 2, pages 354 to 362 of this report.

Division of Disbursement

The Division of Disbursement, organized December 16, 1933, under the provisions of section 4 of Executive Order No. 6166, has absorbed the disbursing functions formerly exercised by the departments and establishments of the Government located in Washington, D. C., including the emergency as well as the regular Government activities, with the exception of the Post Office Department, the Panama Canal, and that portion of the War and Navy Departments relating to national defense. In addition, it has absorbed the disbursing activities

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

of the other departments and establishments in the field with the exception of the United States marshals and the Foreign Service of the Department of State.

Pursuant to requests made by the corporations, the Chief Disbursing Officer acts in the capacity of Disbursing Agent for the Federal Surplus Commodity Corporation, the Federal Crop Insurance Corporation, and the United States Housing Authority. This arrangement has proved satisfactory and economical, as it avoided the necessity for the corporations to establish separate disbursing offices in Washington and in the field.

On June 30, 1938, the Division maintained 19 regional offices and 55 Treasury-State disbursing offices in the field. There were also 6 branch offices of the Treasury-State disbursing offices.

Payments under the special programs of the Agricultural Adjustment Administration were continued during the year. The total number of payments under these programs, including the Soil Conservation payments, was 4,344,347.

On June 30, 1938, the total personnel of the Division, including regular, temporary, and emergency employees, was 2,955, and in addition there were 149 employees of the Agricultural Adjustment Administration detailed to offices of the Division to assist in the disbursing work incident to the special programs of that agency.

The offices of the Division made 92,087,492 payments by check and made cash payments in 1,007,704 instances. These payments were supported in the disbursing accounts by 8,049,595 vouchers. The Division also received, deposited, and accounted for 2,608,326 collection items.

DIVISION OF APPOINTMENTS

Number of employees in the Treasury Department

There were 21,021 employees in the departmental service of the Treasury on June 30, 1938, a net decrease of 217 for the year. The largest decreases occurred in the Division of Loans and Currency and in the Branch of Supply. These were partially offset by large increases in the Bureau of Engraving and Printing and in the Bureau of Internal Revenue.

In the field service there were 55,814 employees on June 30, 1938. This number does not include the assistant collaborating epidemiologists who furnish information to the Public Health Service at a dollar a year and who are actually State employees. For comparative purposes these persons have also been excluded from the number of field employees in 1937, which leaves a total of 58,437 employees on the pay rolls on June 30, 1937. Therefore, the net decrease during the year was 2,623, which is accounted for chiefly by the large decrease in the number of persons employed in the emergency relief program. The largest increase was in the Bureau of Internal Revenue.

The number of employees in the departmental service of the Treasury, classified according to bureaus and offices, at the end of each month from June 30, 1937, through June 30, 1938, is shown in table 60, page 560 of this report. A comparison of the number of employees in the departmental and field services of the Treasury on June 30, 1937, and June 30, 1938, is contained in table 61, page 561.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Retirement of employees

During the year there were 584 persons retired from the departmental and field services of the Treasury Department. Under the provisions of the Civil Service Retirement Act, as amended, and of section 204 of the Economy Act of June 30, 1932, 242 persons were retired from the departmental service of the Treasury Department, 14 of whom were retired at their own option before the compulsory retirement age; and 342 were retired from the field service, 29 at their own option.

As of June 30, 1938, six employees in the departmental service and one in the field service, who had reached the retirement age, were retained under the authority of the President provided in section 204 of the Economy Act.

Table 62, page 562, shows the number of persons retired in the departmental and field services of the Treasury from August 20, 1920, to June 30, 1938, and the number who have passed the compulsory retirement age but who are retained as of June 30, 1938.

BUDGET AND IMPROVEMENT COMMITTEE

The Budget and Improvement Committee is responsible, under the direction of the Budget Officer, for the preparation and review of estimates submitted by Treasury bureaus and divisions for annual or deficiency appropriations. It is also responsible, under the direction of the Budget Officer, for the investigation of administrative methods and procedure in their relation to appropriation estimates and for other investigations upon assignment by the Administrative Assistant to the Secretary. To facilitate the investigations, a Sub-Committee on Investigations was recently created with a view to determining, through the inspection of field as well as departmental activities, the justification for proposed increases in appropriation estimates.

The review of appropriation estimates includes a thorough examination of the items by the individual committee members to whom respective bureaus or divisions are assigned. The entire committee then conducts formal hearings at which the bureau or division heads, or their representatives, present oral testimony in further support of their estimates. The committee, after deliberation, submits its recommendations to the Budget Officer for his guidance in determining the items which should be approved for transmittal to the Bureau of the Budget.

Subsequent to the submission of the regular estimates of appropriations for the fiscal year 1939, supplemental and deficiency estimates aggregating $237,883,845.71 were received. After examination these estimates were reduced to $235,488,229.61 and submitted to the Acting Director of the Bureau of the Budget.

Reserves amounting to $17,003,813 had been set aside from ordinary appropriations for the fiscal year 1938 by the Acting Director of the Bureau of the Budget. During the year, reserves amounting to $11,772,063 were released by the Acting Director, after approval of the committee, and additional reserves of $19,000 were set up, leaving $5,250,750 in reserve at the end of the year. Of the appropriations made to the Treasury Department for the fiscal year 1939, the Acting Director set aside $504,518 as reserves.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

For the fiscal year 1940, heads of Treasury bureaus and offices submitted estimates for annual, permanent, and indefinite appropriations aggregating $4,103,249,931. After examination by the Budget and Improvement Committee, items aggregating $6,109,813 were disapproved in estimates for annual appropriations. Of the $4,097,140,118 approved and submitted to the Acting Director of the Bureau of the Budget, $1,023,525,502 was for annual appropriations, including $600,000,000 for the old-age reserve account; $5,910,241 for permanent and indefinite appropriations and special funds; $1,452,109,375 for trust funds; $1,031,000,000 for interest on the public debt; and $584,595,000 for public debt retirements chargeable against ordinary receipts.

COAST GUARD

The following table summarizes the principal operations of the Coast Guard for the fiscal year 1938, including comparison with the preceding year:

Activity	1937	1938	Increase or decrease (−)
Instances of lives saved and vessels assisted	8,140	8,725	585
Value of vessels assisted (including cargoes)	$98,004,465	$59,755,039	−$38,249,426
Persons on board vessels assisted	37,591	33,901	−3,690
Lives saved or persons rescued from peril	7,631	8,643	1,012
Persons in distress cared for	761	561	−200
Instances of miscellaneous assistance	5,930	4,638	−1,292
Vessels boarded and papers examined	40,645	34,983	−5,662
Vessels seized	18	9	−9
Vessels reported	3,124	2,249	−875
Fines and penalties incurred by vessels reported	$522,915	$584,330	$61,415
Vessels warned for violations of law	985	770	−215
Derelicts and other obstructions to navigation removed or destroyed	230	226	−4
Value of derelicts and other obstructions recovered	$1,525	$16,848	$15,323
Regattas and marine parades patrolled	386	457	71
Persons examined for certificates as lifeboat men	3,917	4,541	624

The number of lives saved or persons rescued from peril during the year was the largest in the history of the Service, exceeding by 1,012 the previous high record of 1937.

A large portion of the activities of the Coast Guard, acting as the Nation's maritime police agency, cannot be presented in statistical form extending as they do into the broad, related field of law enforcement upon the sea and navigable waters, protecting and saving life and property, maintaining a state of preparedness for national defense, and assisting other governmental agencies.

Assistance in the development and settlement of the American island possessions in the South Seas was rendered by regular cruises of Coast Guard cutters from Honolulu to Baker, Howland, and Jarvis Islands, in cooperation with the Department of the Interior. During the year the Coast Guard towed 22 decommissioned merchant vessels of the Maritime Commission from Stapleton, N. Y., to Hampton Roads, Va.; and transported United States officials and material during the tie-up of commercial shipping in the Virgin Islands and Puerto Rico in January 1938.

During the flood which inundated the region adjacent to the Alabama and Tombigbee Rivers in Alabama, in April 1938, the Coast Guard dispatched a relief force of 60 officers and men, 27 boats, mobile communication facilities, and 1 airplane, removing 102 persons to places of safety and otherwise assisting in relief measures.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

In the safeguarding of planes in pioneering and experimental flights across the Atlantic Ocean, the Coast Guard dispatched cutters to strategic points to afford radio bearings, weather information, etc. One cutter acted as plane guard and radio beacon in the Pacific Ocean for the ill-fated flight of Amelia Earhart.

Coast Guard forces cooperated with the Navy in the fleet landing exercises held in the region of Puerto Rico in January–March 1938, and participated with the Army and Navy in other maneuvers along the United States coast.

From December 14 to February 27, Coast Guard vessels conducted ice-breaking operations in the Hudson River to assist in keeping the channel to Albany open to navigation, and assistance of this nature was also rendered in the Great Lakes area and on the North Atlantic coast.

Service facilities were employed in the transportation of mail, Government officials, and supplies to Alaska; also in carrying mail to isolated Civilian Conservation Corps camps on the Great Lakes and in other localities during periods of interruption to regular commercial services. One cutter was placed at the disposal of the Federal Court for the Third Alaskan District in transaction of court business at various ports. In cooperation with the Bureau of the Mint, plans were completed at the end of the fiscal year for the Coast Guard to furnish armed protection in connection with the transfer of silver bullion from New York City to West Point, N. Y.

Work relief projects comprising the reconditioning, modernization, and construction of shore facilities at various Coast Guard stations, the construction of wooden boats, and dredging at Government Island, Alameda, Calif., authorized under the Emergency Relief Appropriation Act of 1935, were completed during the year.

Enforcement of customs and other laws

Empowered to enforce the laws of the United States upon the high seas and navigable waters, the law enforcement activities of the Coast Guard have embraced all phases of Federal maritime jurisdiction. Most prominent among these have been the customs, navigation, motorboat, and conservation laws. The Coast Guard stations located at strategic points along the coast and Service vessels cruising throughout all areas of the coastal waters of the United States have been instrumental in insuring the fullest measure of security and orderly conduct of marine activities.

Vessels of the Coast Guard were assigned, as customary, at ports of entry to provide transportation facilities to Customs and Immigration officers. Coast Guard aircraft also assisted the Customs Service in the patrol of the Mexican border; and both the Customs and Narcotics Bureaus have received assistance in making seizures and arrests for violation of their respective laws.

The Coast Guard Intelligence Division rendered valuable service to other Treasury law enforcement agencies as well as to its own Service and to other departments of the Federal Government.

In law enforcement matters upon the sea contiguous to Canadian territorial waters, the whole-hearted cooperation of the Royal Canadian Mounted Police has been enjoyed.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Smuggling.—Division commanders of the Coast Guard continued, under the direction of the Secretary of the Treasury, as coordinators of the Treasury law enforcement agencies in the prevention and detection of the smuggling of liquor and narcotics within the limits of their respective divisions. The system was extended during the year to include the Puerto Rico-Virgin Islands areas, and the special organizations established during 1936 in the Hawaiian Islands were strengthened and perfected.

Only 12 instances of the presence of foreign hovering vessels within striking distance of the coast were noted. These sporadic attempts at smuggling, largely centered in the New England area, were dealt with quickly by Coast Guard patrols to frustrate any landings. Although alcohol or liquor smuggling was not, as in former years, a major problem, the matter continued to be one demanding the utmost vigilance.

The campaign against the suppression of illegal introduction of narcotic drugs was intensified. Upwards of 4,430 vessels were kept under surveillance upon entering United States waters or while within territorial jurisdiction. Special law enforcement patrols were established to cover Delaware Bay and Delaware River, Chesapeake Bay, and Jacksonville and New Orleans areas.

A summary of seizures, etc., during the year is presented in the following table:

Summary of Coast Guard seizures, etc., fiscal year 1938

Activity	Coast Guard	Joint seizures (Coast Guard and other Treasury agencies)	Total
Vessels seized	9	8	17
Arrests	85	640	725
Vehicles seized	15	98	113
Narcotics seized (ounces)	7	46	53
Illicit distilleries and equipment seized or reported	23	394	417
Aliens apprehended	2	1	3
Estimated value of seizures:			
Contraband	$743	$30,829	$31,572
Equipment	$18,400	$60,108	$78,508
Estimated internal revenue tax on contraband seized	$1,487	$61,658	$63,145

Anchorage and movements of vessels.—On June 30, 1938, nine Coast Guard officers were serving as captains of the port in ports where Federal rules and regulations, promulgated by the Secretary of War and the Secretary of Commerce, are in effect governing the anchorage and movements of vessels in the interest of safe navigation, expeditious and orderly movement of marine commerce, and efficient port administration. At the larger ports, harbor craft were detailed to this duty and also in connection with the supervision of the loading of explosives. In localities where the continual presence of an enforcement officer was not necessary, periodic inspections were made by Coast Guard vessels regularly operating in the area.

Enforcement of Whaling Treaty Act.—Coast Guard officers were assigned as inspectors aboard two American whaling vessels which operated in the Indian Ocean and Antarctic waters and at two whaling factories in Alaska. A Coast Guard officer served as American

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

delegate to the whaling conference held at Oslo, Norway, in May 1938, and at the International Conference on Whaling held in London in June. These conferences had for their purpose the adoption by interested nations of methods for the conservation of whales.

Patrol in northern waters.—The patrol of the waters of the North Pacific Ocean, Bering Sea, and southeastern Alaska involves enforcement of the international convention for the protection of the fur seal and sea otter, law enforcement generally, and assistance to marine commerce and Alaskan natives. The patrol for the season of 1937, in progress at the beginning of the fiscal year 1938, was conducted by eight Coast Guard vessels, which cruised 57,731 miles, assisted 14 vessels, boarded 203 vessels, afforded medical and dental aid to 1,606 persons, and transported 406 persons. Nine vessels were assigned to the patrol for the season of 1938, which was in progress on June 30, 1938.

Northern Pacific halibut fishery.—Nine Coast Guard vessels made 15 cruises to the halibut fishing areas during the year in the enforcement of the Northern Pacific Halibut Fishery Act and the International Convention for the Preservation of the Halibut Fisheries of the Northern Pacific Ocean. Six American vessels and one foreign vessel were seized for violations of the act during the year.

Protection to marine commerce and life and property

In the protection and saving of life and property, service units are constantly alert and prepared to respond to calls for assistance from floating craft or persons in peril. Communication facilities, disposition of forces, and organization plans are designed to meet not only individual calls for aid, but to put speedily into action expeditions for relief and assistance in national emergencies.

During the year Coast Guard officers were appointed and acted as members of the marine investigation boards convened by the Department of Commerce to investigate loss of life aboard ship.

International Service of Ice Observation and Ice Patrol.—The International Service of Ice Observation and Ice Patrol, conducted by the Coast Guard pursuant to the International Convention for the Safety of Life at Sea, signed at London May 31, 1929, and the act of Congress approved June 25, 1936, was inaugurated on February 14, 1938, with the arrival of a Coast Guard cutter in the Grand Banks region. The cutter made two ice observation cruises for the purpose of locating the most southerly ice and of determining the prevailing ice situation. On March 24 the ice patrol was begun, and until its conclusion on July 22, two cutters, alternating on cruises, maintained a continuous patrol in the Grand Banks region, keeping in touch with the southerly, easterly, and westerly limits of the ice. Halifax, Nova Scotia, was used as their inport base. Throughout the ice season the practice was followed of transmitting scheduled radio broadcasts of the position of all ice sighted or reported, of advising shipping concerning routes to be followed, and of furnishing information on the ice situation to ships upon request. The 1938 ice observation and ice patrol season was the longest on record.

An oceanographic vessel, which arrived in the Grand Banks region on March 30, conducted the scientific observations, keeping the patrol cutters informed of the speed and direction of currents prevailing in

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

the Grand Banks region, in furtherance of the most efficient conduct of this international service. Upon the conclusion of the ice patrol, the vessel sailed on a post-season oceanographic and ice observation cruise in the Labrador Sea between Labrador and southwestern Greenland.

Winter cruising.—During the 1937–38 season of severe weather on the North Atlantic coast 14 Coast Guard cutters were designated, pursuant to Executive order, to render aid to marine commerce. These cutters cruised 44,423 miles; afforded assistance to 116 vessels, whose value, including cargoes, amounted to $8,731,617; and destroyed eight derelicts which were a menace to navigation. In the enforcement of Federal maritime laws, 272 vessels were boarded and examined.

Aviation

During the year an air station was established at New York, N. Y., and the station at Cape May, N. J., was placed out of commission. On June 30, 1938, air stations in commission were located at Salem, Mass.; New York, N. Y.; Charleston, S. C.; Miami and St. Petersburg, Fla.; Biloxi, Miss.; San Diego, Calif.; and Port Angeles, Wash. Air patrol detachments were maintained at El Paso, Tex., and Cape May, N. J., and aircraft were operated from the plane-carrying cutters in Hawaiian and Alaskan waters and on the Atlantic coast. Aircraft in service at the close of the fiscal year numbered 54 planes of various types, the largest being the flying boat PH–2 type, with a cruising range of 2,000 miles. Funds were provided in the Second Deficiency Act of June 25, 1938, for the construction of air stations at Elizabeth City, N. C., and San Francisco, Calif.

The practice of affording flight instruction to Coast Guard officers at the naval air station, Pensacola, Fla., has been continued.

Aircraft landings were made in the open sea in 33 instances, and 323 flights were made during hours of darkness. Operations during the past year in law enforcement missions, in saving and protecting life and property at sea, and in affording assistance to other branches of the Government have demonstrated the increasing importance of aircraft in the performance of Service duties. Insofar as operations can be presented statistically, the following résumé gives an idea of the extent and importance of Coast Guard aviation during the fiscal year 1938:

	Number		*Number*
Flights	4,383	Instances of assistance to other Government agencies	345
Miles cruised	934,430	Obstructions to navigation reported	19
Emergency medical cases transported	148	Smuggling vessels located	27
Persons transported from disabled vessels	21	Illicit distilleries located	607
Persons otherwise transported and assisted	581	Disabled vessels located	63
Vessels warned of impending danger	506		
Persons warned of impending danger	2,135		

Communications

Telephone and telegraph lines and cables.—The Coast Guard owns and operates a coastal telephone system consisting of 1,602 miles of pole line, 3,000 miles of open aerial circuits, 50 miles of aerial and underground cables, and 642 miles of submarine cables. A number of these lines are connected with central offices of commercial telephone systems, thus affording telephone and telegraph service to all units of the Coast Guard, to Navy direction finder stations, Weather

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Bureau offices, and lighthouses in various locations along the coastal waters of the United States.

Installation of telephone repeaters along the Long Island and New Jersey coasts has materially improved the transmission and the range of telephonic communication over Coast Guard lines. A study is now being made of the section from Lewes, Del., to Morehead City, N. C., with a view to the installation of repeaters in this section. These installations materially increase the value of Coast Guard telephone lines in law enforcement, national defense, and the saving of life and property.

Approximately 200,000 feet of obsolete telephone submarine cables, involving 12 important cables along the Atlantic coast, Gulf of Mexico, and the Great Lakes, were replaced with cable of modern design. In addition to cable replacements, general cable repairs were effected in all divisions. Research activities in connection with the improvement of both the physical and electrical characteristics of rubber insulated, steel armored, and rubber jacketed cable were carried on during the year.

Radio.—Research and development work was continued, particularly in connection with transmitting antennae and ground radial systems and the procurement of satisfactory equipment for lifeboat installation.

During the year new radio station buildings were constructed and occupied at Mobile, Ala., San Francisco, Calif., and at the Coast Guard Air Station, New York, N. Y.

Radiotelephone weather and marine information broadcasts, primarily for the benefit of yachts and small boats, were inaugurated at strategically located Coast Guard radio stations on the Atlantic, Pacific, and Gulf coasts, and at Cleveland, Ohio, on the Great Lakes. This contribution to the safety of small craft was made possible through the cooperation of the Weather Bureau, Lighthouse Service, and the Navy Hydrographic Office.

The laboratory and monitoring activities of the Coast Guard radio station at Fort Hunt, Va., were continued. In addition this station acted as headquarters' radio station and provided a fixed communication service to several divisions and a mobile service to the International Ice Patrol and vessels cruising in foreign waters.

Cooperation in communication problems with other agencies of the Treasury Department, notably Bureau of Customs, Alcohol Tax Unit, and Bureau of the Mint, was continued.

The Chief Communications Officer continued to represent the Treasury Department on the Interdepartmental Radio Advisory Committee. He also acted as chairman of the Committee on Administration which is preparing for the Cairo International Telecommunication Convention, and served as technical adviser to the United States delegation at the convention.

Floating equipment

Cutters, patrol boats, etc.—On June 30, 1938, the following floating equipment was in commission in the Coast Guard: Cruising cutters, 34; 165-foot patrol boats, 17; 125-foot patrol boats, 27; 100-foot patrol boats, 4; 80-foot patrol boats, 9; 78-foot patrol boats, 6; 75-foot patrol boats, 50; 72-foot patrol boats, 4; harbor tugs, 11;

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

harbor launches, 39; special craft, 7; picket boats, 81; and miscellaneous patrol boats exceeding 40 feet in length. This floating equipment does not include the small boats, designed primarily for life-saving, assigned to Coast Guard stations and vessels.

During the year a number of cutters and smaller vessels were sold or transferred to other Government departments.

The work relief projects for the construction of wood patrol boats and harbor craft with funds allotted from the Emergency Relief Appropriation Act of 1935 were completed, and the following boats were acquired: Four 80-foot patrol boats, two 65-foot patrol boats, and two harbor craft.

Two Coast Guard harbor cutters were under construction at the close of the fiscal year.

Small boats.—Considerable design work has been accomplished on a proposed new 40-foot motor lifeboat, and improvements have been made in the existing TR motor lifeboat and in the standard motor self-bailing surfboat. An experimental fresh water cooling system with keel condenser and dry exhaust, including provisions for hot air heating of forward cabin, has been installed in one lifeboat for test purposes. Experimental investigations and testing in the related field of special metals, wood, preserving treatments, etc., have been continued to improve and keep modern the materials and methods of construction of standard small boats of the Service.

Ordnance activities

A high standard of gunnery proficiency was maintained, the percentage of vessels holding the prescribed gunnery exercises being greater than in any previous year. Every ship for which short range practice is specified fulfilled the requirement, only 12 out of 123 being unable to hold modified practice. This is a remarkable record in view of the heavy operating schedules of Coast Guard vessels.

Customary small arms training was carried on throughout the Service. In the national matches at Camp Perry, Ohio, the Coast Guard team won 4 trophies and 131 medals. Coast Guard coaches continued to give instruction in the use of small arms to the armed civilian personnel of the Treasury Department, totaling 5,214 men on June 30, 1938.

In ordnance, gunnery, and small arms activities, the Coast Guard has enjoyed the full cooperation of the Army, Navy, and Marine Corps in the furnishing of materials and facilities as required.

Stations, bases, repair depot, etc.

Stations and bases.—The plan to reorganize the stations for the purpose of increasing the efficiency of the Coast Guard has resulted in reducing the number of active stations by 45 during the past 2 years. During 1938, 22 active stations were made inactive, and 3 active and 3 inactive stations were discontinued. On June 30, 1938, there were 200 active stations and 74 inactive stations, and 3 shore bases were in commission. A study of the inactive stations is now being made with the intention of discontinuing those not required for Coast Guard activities.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

A number of new boathouses and launchways, several station dwellings, and miscellaneous projects at shore units were completed. New station structures were placed at Fort Pierce, Fla., as a new location for the former Indian River Inlet House of Refuge, which has been designated the Fort Pierce Inlet Station.

Repair depot.—The Repair Depot, Curtis Bay, Md., is maintained for repairing and altering cutters and for building small boats. During the year two 125-foot patrol boats were re-engined and completely overhauled, and three 75-foot patrol boats were reconditioned. The usual routine maintenance of vessels stationed in the West Indies and in the vicinity of Baltimore was performed, and alterations and repairs were made to several cutters. The boat building plant constructed 25 boats of various types, 6 of which were motor lifeboats, and also built a large number of lifeboat and surfboat launching carriages. A number of old-type motor lifeboats were modernized.

Engine school and repair base.—The Engine School and Repair Base, Norfolk, Va., is maintained for instructional purposes and as an engine repair base. During the year 37 enlisted men completed courses in the repair, operation, and maintenance of internal-combustion marine and aviation engines and in lathe practice. The students reconditioned gasoline marine engines and their parts for further use by the Coast Guard, and rebuilt parts of electrical equipment for engines, including starting motors, generators, magnetos, and distributors. Experimental work with gasoline marine and Diesel auxiliary engines and with lubricating oil treatment was carried out in connection with the instruction courses.

Personnel and training

On June 30, 1938, there were on the active list of the Coast Guard 524 commissioned officers, 78 cadets, 389 chief warrant officers, 153 regular warrant officers, 135 temporary warrant officers (of whom 115 were on duty with the War Department, under orders contained in Executive Order No. 6169), 8,803 enlisted men, 2 civilian instructors (at the academy), and 341 civilian employees in the field, of whom 250 were per diem employees at the Coast Guard Depot, Curtis Bay, Md. There were also 154 emergency employees.

During the year an officer of the Coast Guard acted as a member of the Senate Technical Advisory Committee on Safety of Life at Sea.

Recruiting.—Six main recruiting stations were in operation during the entire fiscal year. There were 4,167 applicants, of whom 1,063 were enlisted, 1,353 rejected for physical disability, and 1,751 rejected for other causes. Loss in personnel other than through expiration of enlistment was low. Of the discharged men who were eligible for reenlistment, 80 percent reenlisted.

Training.—Postgraduate instruction for commissioned officers was provided for 4 in resident law, 20 in extension law, 3 in marine engineering, and 2 in radio engineering. Several other officers were assigned to various universities for summer courses, and 9 officers completed flight training at the Naval Air Station, Pensacola, Fla.

Resident schools within the Service provided training for enlisted men in radio, small arms maintenance, and gasoline and Diesel en-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

gine repairs and operation, and training for yeomen, pharmacist's mates, cooks, and bakers. From time to time men were assigned to schools of the Army and Navy for instruction not available within the Coast Guard.

The Coast Guard Institute at New London, Conn., provided instruction to enlisted men to qualify them for advancement, and has given them the opportunity to study various professional and educational subjects through correspondence courses.

In order to insure a thorough knowledge of all phases of maritime and navigation laws, lectures on law enforcement were delivered at various centers of Service activities, and, in November 1937, correspondence courses in these subjects were inaugurated, in which approximately 1,750 students were enrolled. The Treasury law enforcement course was completed by 232 officers and men.

Coast Guard Academy.—During the year 48 cadets were appointed, 25 resigned, and 23 were graduated and commissioned as ensigns in the Coast Guard; there were 78 cadets under instruction at the end of the year. The 1938 cadet practice cruise, which began on June 4, 1938, included United States and South American ports in its itinerary.

On April 27, 1938, the Congressional Board of Visitors to the Coast Guard Academy, appointed pursuant to the act of April 16, 1937, made its annual inspection of the academy.

Engineering competition.—Engineering competition, with awards made to the highest scoring vessels and their engineer forces, was continued during the year. This competition, which promotes a spirit of friendly rivalry among the competing units and maintains personnel and material in a high state of efficiency and readiness, was participated in by 32 cruising cutters and 45 patrol boats.

Boatmanship competition.—During the year a plan was inaugurated providing for competition between units in boatmanship, consisting of rowing races and competitions devised to demonstrate skill in handling boats under Service conditions. This has increased the interest in boatmanship.

Awards of lifesaving medals and decorations

The Secretary of the Treasury, under the provisions of law, awarded during the year 10 gold and 16 silver lifesaving medals of honor in recognition of heroism or bravery exhibited in the rescue or attempted rescue of persons from drowning in waters over which the United States has jurisdiction or upon an American vessel. Also, acting for the President, the Secretary awarded a distinguished flying cross to a Coast Guard officer for extraordinary achievement in an official aerial flight.

Legislation

The following general legislation affecting the Coast Guard was enacted by the Congress during the fiscal year:

The Secretary of the Treasury was authorized to establish Coast Guard stations in the following localities: At or near Beaver Bay, Minn. (Public No. 230, July 30, 1937); at or near St. Augustine, Fla. (Public No. 231, July 30, 1937); at or near Dauphin Island, Ala. (Public No. 285, August 14, 1937); in the vicinity of Fort Myers,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Fla. (Public No. 283, August 14, 1937); at or near Panama City, Fla. (Public No. 443, March 14, 1938); and at or near Shelter Cove, Calif. (Public No. 699, June 22, 1938).

The act of July 30, 1937 (Public No. 234), remedied certain inadequacies in existing law and extended certain privileges to personnel of the Coast Guard which are now enjoyed by the personnel of the other military services. The bill relates to enlistment and extensions in the time thereof, medical treatment by the Public Health Service of dependent members of families of Coast Guard personnel, naturalization privileges of Filipinos serving in the Coast Guard, award of the Distinguished Flying Cross to members of the Coast Guard; advance of clothing funds to newly appointed cadets; and authority for retired Coast Guard officers to hold public office if elected thereto or if appointed by the President.

The act of January 12, 1938 (Public No. 419), provided for retirement or resignation of officers placed out of line of promotion and for involuntary retirement after 30 years' service.

The act of May 13, 1938 (Public No. 513), authorized the payment to the widow or other next of kin of money due the estate of a deceased officer or enlisted man, where the amount involved is less than $500.

The act of May 26, 1938 (Public No. 553), authorized the continuance of the payment to enlisted men of allowances for quarters and subsistence while sick in hospital or absent from their permanent duty stations in a pay status.

The act of June 23, 1938 (Public No. 705), provided for the establishment of the United States Maritime Service, with ranks, grades, and ratings of personnel similar to those in the Coast Guard, and gave authority to the United States Maritime Commission to avail itself of the services of any agency of the Government in carrying out the pertinent provisions in the act.

The act of June 30, 1938 (Public No. 787), designated the Coast Guard as one of the Federal agencies for research and experimental work with rotary-wing and other aircraft.

Funds available, obligations, and balances

The following table shows the amounts available for the Coast Guard for the fiscal year 1938, including regular and deficiency appropriations, the balances of appropriations from the previous year, and additional funds made available from funds appropriated under the National Industrial Recovery Act. The amounts of obligations and unobligated balances are also shown.

104825—39——10

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Available funds, obligations, and unobligated balances, fiscal year 1938

Source of funds	Available	Obligated	Transferred	Unobligated balance
Appropriations:				
Salaries, Office of Coast Guard, 1938	$389,240	$391,865	[1] +$3,500	$875
Pay and allowances, 1938	18,094,000	17,940,517	[1] −3,500	149,983
Fuel and water, 1938	1,475,000	1,449,719		25,281
Outfits, 1938	1,565,000	1,559,198	[2] −4,800	1,002
Rebuilding and repairing stations, etc., 1938	292,500	288,542		3,958
Communication lines, 1938	180,000	172,077	[2] −2,200	5,723
Civilian employees, 1938	192,000	191,614		386
Contingent expenses, 1938	122,600	130,732	[2] +13,500	5,368
Repairs to vessels, 1938	1,459,813	1,451,490	[2] −5,500	2,823
Repairs to aircraft, 1938	515,187	511,197	[2] −1,000	2,990
Replacement airplanes, 1938-39	354,000			[3] 354,000
Additional airplanes, 1937-38	12,771	12,751		20
Repairs to vessels, 1937-38	30,000	30,000		
Outfits, 1937-38	24,160	23,613		547
Rebuilding and repairing stations, 1936-39	125,000	48,677		[3] 76,323
Rebuilding and repairing stations, 1937-39	147,514	78,973		[3] 68,541
Communication lines, 1937-38	40,000	39,900		100
Additional vessels, 1938-39	700,000	617,913		[3] 82,087
Coast Guard Academy	1,684	1,676		8
Total	25,720,469	24,940,454		780,015
Other available funds:				
National Industrial Recovery, Treasury, Coast Guard, 1933-39	47,352	35,133	[4] +284,845	[3] 297,064
Grand total	25,767,821	24,975,587	+284,845	1,077,079

[1] Transferred from "Pay and allowances" to "Salaries."
[2] Transferred from "Outfits," "Communication lines," "Repairs to vessels," and "Repairs to aircraft" to "Contingent expenses."
[3] Balances carried forward to fiscal year 1939.
[4] Refund of unused funds advanced to Navy for construction of cutters.

BUREAU OF THE COMPTROLLER OF THE CURRENCY[1]

The Bureau of the Comptroller of the Currency is responsible for the execution of all laws relating to the supervision of national banking associations and all banks and building and loan associations in the District of Columbia. The Bureau is also responsible for the liquidation of suspended national banks placed in charge of receivers. Under the Emergency Banking Act of March 9, 1933, the Comptroller of the Currency is required to approve the issuance and retirement of preferred stock of national banking associations. Other duties include those incident to the formation and chartering of new national banking associations, the establishment of branch banks, the consolidation of banks, and the conversion of State banks into national banks.

Changes in the condition of active national banks

The total assets of the 5,248 active national banks on June 30, 1938, amounted to $30,387,082,000, an increase of $50,011,000 since June 30, 1937, when $30,337,071,000 was reported by 5,299 banks. The deposits of the active banks in 1938 totaled $26,815,894,000, which was $49,981,000 more than in 1937. The amount of deposits in 1938 was exceeded on only one other call date in the history of the national banking system, namely, December 31, 1936, when they aggregated $27,608,397,000. The loans and investments totaled $19,978,900,000, representing a decrease of $956,282,000 during the year.

[1] More detailed information concerning the Bureau of the Comptroller of the Currency is contained in the annual report of the Comptroller.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The assets and liabilities of active national banks on the date of each report from June 30, 1937, to June 30, 1938, are shown in the following statement:

Abstract of reports of condition of active national banks on the date of each report from June 30, 1937, to June 30, 1938

[In thousands of dollars]

	June 30, 1937 (5,299 banks)	Dec. 31, 1937 (5,266 banks)	Mar. 7, 1938 (5,256 banks)	June 30, 1938 (5,248 banks)
ASSETS				
Loans and discounts (including rediscounts)	8,807,782	8,809,448	8,626,386	8,330,568
Overdrafts	5,113	4,099	4,980	4,056
U. S. Government securities, direct obligations	6,902,521	6,763,895	6,771,752	6,510,357
Securities guaranteed by U. S. Government as to interest and principal	1,316,674	1,308,987	1,320,410	1,477,359
Other bonds, stocks, and securities	3,903,092	3,690,122	3,722,727	3,656,560
Customers' liability account of acceptances	96,441	77,127	67,325	54,621
Banking house, furniture and fixtures	635,670	632,244	633,953	629,398
Real estate owned other than banking house	162,409	155,625	155,534	153,975
Reserve with Federal Reserve banks	4,152,889	4,172,915	4,282,582	4,618,177
Cash in vault	444,598	422,490	430,675	528,305
Balances with other banks and cash items in process of collection	3,780,382	3,955,088	3,665,499	4,304,073
Cash items not in process of collection	8,215	6,163	5,039	7,219
Acceptances of other banks and bills of exchange or drafts sold with endorsement	8,265	19,965	19,077	9,522
Securities borrowed	229	188	178	203
Other assets	112,791	105,839	117,383	102,689
Total	30,337,071	30,124,195	29,823,500	30,387,082
LIABILITIES				
Demand deposits of individuals, partnerships, and corporations	12,430,183	12,169,107	11,893,101	12,138,047
Time deposits of individuals, partnerships, and corporations	7,469,842	7,501,101	7,531,158	7,548,899
State, county, and municipal deposits	2,203,466	2,019,528	2,044,926	2,106,342
U. S. Government and postal savings deposits	467,873	588,166	574,899	467,338
Deposits of other banks	3,790,587	3,832,898	3,922,807	4,211,101
Certified and cashiers' checks, cash letters of credit, and travelers' checks outstanding, etc	403,962	429,894	271,351	344,167
Total deposits	*26,765,913*	*26,540,694*	*26,238,242*	*26,815,894*
Secured by pledge of loans and/or investments	*2,246,824*	*2,208,074*	*2,176,884*	*2,130,455*
Not secured by pledge of loans and/or investments	*24,519,089*	*24,332,620*	*24,061,358*	*24,685,439*
Agreements to repurchase U. S. Government or other securities sold	676	996	970	560
Bills payable	7,968	8,508	12,362	7,731
Rediscounts	562	1,328	904	1,289
Obligations on industrial advances transferred to the Federal Reserve banks	10	7	7	6
Acceptances of other banks and bills of exchange or drafts sold with endorsement	8,265	19,965	19,077	9,522
Acceptances executed for customers	99,794	78,378	67,449	53,707
Acceptances executed by other banks for account of reporting banks	13,616	9,785	6,960	7,248
Securities borrowed	229	188	178	203
Interest, taxes, and other expenses accrued and unpaid	51,221	45,260	55,817	49,129
Dividends declared but not yet payable and amounts set aside for dividends not declared	27,703	27,403	8,278	27,780
Other liabilities	148,949	147,485	155,896	140,194
Capital stock (see memorandum below)	1,582,131	1,577,831	1,575,898	1,572,900
Surplus	1,073,154	1,100,308	1,106,495	1,118,413
Undivided profits, net	389,233	399,969	403,705	409,167
Reserves for contingencies	155,623	154,235	159,292	159,309
Preferred stock retirement fund	12,024	11,855	11,970	14,030
Total	30,337,071	30,124,195	29,823,500	30,387,082

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Abstract of reports of condition of active national banks on the date of each report from June 30, 1937, to June 30, 1938—Continued

[In thousands of dollars]

	June 30, 1937 (5,299 banks)	Dec. 31, 1937 (5,266 banks)	Mar. 7, 1938 (5,256 banks)	June 30, 1938 (5,248 banks)
Memorandum:				
Par value of capital stock:				
Class A preferred stock	281,012	267,361	251,833	248,885
Class B preferred stock	17,965	17,470	17,210	17,210
Common stock	1,288,749	1,297,882	1,310,987	1,311,326
Total	1,587,726	1,582,713	1,580,030	1,577,421
Loans and investments pledged to secure liabilities:				
U. S. Government obligations, direct and fully guaranteed	2,063,195	2,126,393	2,100,719	2,028,789
Other bonds, stocks, and securities	574,946	550,725	544,743	547,836
Loans and discounts (excluding rediscounts)	24,768	32,260	31,449	27,341
Total	2,662,909	2,709,378	2,676,911	2,603,966
Pledged:				
Against U. S. Government and postal savings deposits	527,465	642,388	644,021	522,413
Against State, county, and municipal deposits	1,365,989	1,404,318	1,388,425	1,402,654
Against deposits of trust department	515,425	407,789	380,619	432,627
Against other deposits	151,281	153,866	157,057	144,985
Against borrowings	9,506	10,454	14,993	10,337
With State authorities to qualify for the exercise of fiduciary powers	76,266	76,338	76,061	76,027
For other purposes	16,977	14,225	15,735	14,923
Total	2,662,909	2,709,378	2,676,911	2,603,966

Summary of changes in the national banking system

The authorized capital stock of the 5,258 national banks in existence on June 30, 1938, consisted of common capital stock aggregating $1,311,877,628, an increase during the year of $21,056,807, and preferred capital stock aggregating $266,826,644, a decrease during the year of $34,684,398. The total net decrease of capital stock was $13,627,591. During the year charters were issued to 12 national banking associations, of which 10 had common capital stock only, aggregating $2,425,000, and the remaining 2 banks had an aggregate of $35,000 common capital stock and $65,000 preferred capital stock. There was a net decrease of 64 in the number of national banks in the system during the year by reason of receiverships, voluntary liquidations and consolidations under the act of November 7, 1918, as amended.

Changes in the number and capital stock of national banks during the fiscal year 1938 are shown in the following summary:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Organization, capital stock changes, and liquidations of national banks during the fiscal year 1938

	Number of banks	Capital stock	
		Common	Preferred
Charters granted	10	$2,425,000	
	2	35,000	$65,000
Increases of preferred capital stock:			
19 banks, by issues of new preferred capital stock [1]			2,133,050
2 banks, by consolidation under act of Nov. 7, 1918, as amended			306,000
Increases of common capital stock:			
43 banks, by regular increases		3,636,675	
576 banks, by common capital stock dividends		22,015,807	
8 banks, by conversion of preferred capital stock		253,200	
1 bank, by consolidation under act of Nov. 7, 1918, as amended		25,000	
Total increases	12	28,390,682	2,504,050
Voluntary liquidations	65	4,388,500	974,000
Receiverships	[2] 5	490,000	
	4	650,000	59,650
Decreases of capital stock:			
28 banks, by reduction of common capital stock		1,892,500	
1,424 banks, by retirement of preferred capital stock			34,524,158
9 banks, by decrease of par value of preferred capital stock			1,480,640
1 bank, by reduction of preferred capital stock			150,000
Closed under consolidation (act Nov. 7, 1918) and capital stock decreases incident thereto	7	402,875	
Total decreases	81	7,823,875	37,188,448
Net changes during the year	[3] 64	[3] +21,056,807	−34,684,398
Charters in force June 30, 1937	5,322	1,290,820,821	301,511,042
Charters in force June 30, 1938	[4] 5,258	1,311,877,628	266,826,644

[1] Includes increases for 7 banks in par value of preferred capital stock aggregating $1,208,050 previously reported as decreases.
[2] Previously reported in voluntary liquidation.
[3] After adjustment for 5 banks in receivership, previously reported in voluntary liquidation.
[4] These figures differ from those shown in the table on p. 127. Banks that have discontinued business although not in formal liquidation do not submit reports of condition but are included in this table.

Administration of unlicensed national banks

During the fiscal year 1938 liquidating dividends amounting to $68,865,000 were paid by receivers and trustees for waiving creditors of banks unlicensed on March 16, 1933, the close of the banking holiday. As of June 30, 1938, a total of 84.32 percent of the aggregate unsecured liabilities of these banks on March 16, 1933, had been released; 705 banks released 100 percent of unsecured liabilities. A summary with respect to the administration of all unlicensed national banks since March 16, 1933, follows:

Summary of administration of unlicensed national banks from March 16, 1933, to June 30, 1938

[Dollars in thousands]

	Number of banks	Unsecured liabilities		
		Outstanding Mar. 16, 1933	Released to June 30, 1938	Unpaid on June 30, 1938
Banks reorganized under old or new charters or absorbed by another national bank	1,096	$1,772,971	$1,519,303	$253,668
Banks placed in voluntary liquidation or absorbed by a State bank	31	11,518	10,783	735
Banks placed in receivership for liquidation	290	138,210	91,034	47,176
Total	1,417	1,922,699	1,621,120	301,579

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

BUREAU OF CUSTOMS

Collections

After 4 years of successive increases, customs revenue declined sharply in 1938 from the total for the preceding year. The collections of $359,600,000 in 1938 were 26 percent smaller than during 1937. Duties on each of the different types of entries, except those on mail and baggage, yielded smaller returns than during 1937, as indicated in the following table:

Customs collections [1] and refunds, fiscal years 1937 and 1938

[On basis of accounts of Bureau of Customs]

	1937	1938	Percentage increase or decrease (−)
Collections:			
Duties:			
Consumption entries	$313,531,391	$221,790,493	−29.3
Warehouse withdrawals	162,007,421	124,790,621	−23.0
Mail entries	3,290,800	3,298,083	.2
Baggage entries	998,405	1,109,580	11.1
Informal entries	1,053,812	915,312	−13.1
Appraisement entries	302,221	208,128	−31.1
Increased and additional duties	6,062,407	4,690,070	−22.6
Other duties	120,007	86,483	−27.9
Total duties	487,366,464	356,888,770	−26.8
Miscellaneous:			
Fines and forfeitures	547,936	2,220,305	306.9
Liquidated damages	267,430	149,319	−44.2
Sale of seizures	68,587	160,538	134.1
Sale of Government property, unclaimed and abandoned merchandise	36,023	80,045	122.2
All other customs receipts	56,306	65,677	16.6
Total miscellaneous	976,282	2,684,884	175.0
Total customs collections	488,342,746	359,573,654	−26.4
Refunds:			
Excessive duties	4,568,735	5,220,303	14.3
Drawback payments	10,773,690	11,841,390	9.9
Total refunds	15,342,425	17,061,693	11.2

[1] Excludes customs duties of Puerto Rico, which are deposited to the credit of the Government of Puerto Rico, but includes fines and other minor collections of Puerto Rico.

Each schedule of the Tariff Act of 1930, except the tobacco schedule, recorded a decrease in the value of imports and each schedule, without exception, showed a decrease in duties collected.

The decline in collections under the sugar schedule was somewhat unusual, since the total for the fiscal year, $38,342,995, included $2,766,071 of import compensating taxes collected on refined sugar under the terms of the Sugar Act of 1937, which became effective September 1, 1937, and for which no comparable item was included in the collections during the previous year. Since the importation of sugar is controlled by a calendar year quota, most of the reduced importations from January to June 1938, which were smaller by 920,000,000 pounds than for the corresponding months of 1937, may have been merely deferred until the first half of the fiscal year 1939.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The decreases in the revenue yielded by the agricultural and wool schedules were greater than those for any other schedules and accounted for two-thirds of the entire decrease in revenue. Agricultural imports continued to exceed every other tariff schedule in the amount of revenue yielded, but declined in relative importance, representing only one-fifth of the total collections in 1938, as compared with one-fourth during the previous year.

Imports of dutiable unmanufactured wool declined sharply and, as a result, collections under the wool schedule dropped from second to sixth place in importance during 1938.

Items listed in the chemical schedule produced $11,300,000 less duties in 1938 than during the previous year, a decline of 37 percent.

The computed values of dutiable imports and the computed duties collected, by tariff schedules, are shown for the fiscal years 1937 and 1938 in table 15 on page 436, and for the calendar years 1928 to 1937 and by months from January 1937 to June 1938 in table 17 on page 438.

It will be observed that the aggregate of duty collections as computed by tariff schedules is somewhat less than the actual collections reported by collectors of customs. This is in part due to the fact that the computations are necessarily based upon the data reported at the time of original entry and do not take into consideration the increased and additional duties levied as a result of the final determination of the correct quantity by the weighers and gaugers, changes in classification or rates of duty by appraisement officers, or clerical errors found upon liquidation of the entry. Furthermore, the import documents, from which the statistics used in the computation of duties are compiled, do not include many baggage, mail, and informal entries on which the duties collected amount to a considerable sum.

Almost four-fifths of the total duties collected during 1938 were reported by eight customs districts, and almost half of the entire total was reported by New York. A statement of the duties collected for each customs district appears in table 18 on page 442.

Volume of business

In order to present statistics of the volume of customs business which are analogous to collections, the data which follow are limited to the area in which all collections are turned into the Treasury of the United States. Since all customs receipts in the Virgin Islands and all except fines and other minor collections in Puerto Rico are deposited to the credit of those respective governments, none of the data for the former and none except those on seizures for the latter are included below.

Entries of merchandise.—The total number of entries of merchandise aggregated 3,121,176 in 1938, an increase of 45,715 over the previous year, although the collections in 1937 were at a much higher level than in 1938. This anomalous condition is due chiefly to the fact that certain types of commodities imported in 1937 consisted of bulk shipments which had a marked effect on collections but little effect on the number of entries. Furthermore, in 1938 importers ordered quantities sufficient only for their immediate needs, carrying little, if any, stocks in warehouses and, therefore, imported with greater frequency. The type of entry which showed the largest relative and absolute increase over 1937 was baggage entries, which

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

are heaviest during the late summer and early fall. The increase in the early months of the fiscal year 1938 was sufficient to more than offset the decline in the number of baggage entries during the remaining months of the year.

The number of entries during the past 2 years is shown in the following table:

Number of entries of merchandise, fiscal years 1937 and 1938

Type	1937	1938	Percentage increase or decrease (−)
Consumption entries	[1] 590,312	519,262	−12.0
Warehouse and rewarehouse entries	[1] 76,834	68,880	−10.4
Warehouse withdrawals	382,383	382,882	.1
Mail entries	564,546	584,764	3.6
Baggage entries	595,705	714,586	20.0
Informal entries	244,283	234,786	−3.9
All other	[1] 621,398	616,016	−.9
Total	[1] 3,075,461	3,121,176	1.5

[1] Revised.

Vessel, airplane, and highway traffic.—The following statement covers the leading classes of traffic for the last 2 years:

Number of vehicles and persons entering the United States from abroad, fiscal years 1937 and 1938

	1937	1938	Percentage increase or decrease (−)
Vehicles:			
Automobiles and busses	11,217,252	11,907,125	6.2
Documented vessels	[1] 32,660	31,962	−2.1
Ferries and other vessels	[1] 201,454	195,309	−3.1
Passenger trains	34,607	34,230	−1.1
Aircraft	[1] 5,504	6,219	13.0
Other vehicles	408,710	355,826	−12.9
Passengers by:			
Automobiles and busses	31,322,255	34,461,503	10.0
Documented vessels	[1] 1,011,387	1,072,497	6.0
Ferries and other vessels	[1] 2,914,288	3,020,151	3.6
Passenger trains	1,208,448	1,197,863	−.9
Aircraft	[1] 37,488	44,107	17.7
Other vehicles	1,800,286	1,738,435	−3.4
Pedestrians	10,944,196	11,350,634	3.7
Total passengers and pedestrians	[1] 49,238,348	52,885,180	7.4

[1] Revised.

Airplane traffic showed the largest relative increase during the year. The largest number of planes and of passengers arrived in the Florida customs district, more than half the total number of passengers reaching the United States by plane at the port of Miami. Large increases occurred in the Vermont and New York customs districts due to the establishment of new international air routes. The following table shows the number of airplanes and of airplane passengers entering the United States during the past 2 fiscal years:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Number of airplanes and passengers arriving by air, fiscal years 1937 and 1938

	Number of airplanes		Number of airplane passengers		Percentage increase or decrease (−)	
	1937	1938	1937	1938	Airplanes	Passengers
Northern border:						
Maine	63	52	119	99	−17.5	−16.8
Vermont	111	559	231	1,515	403.6	555.8
St. Lawrence	36	51	51	120	41.7	135.3
New York	371	527	1,696	3,790	42.0	123.5
Rochester	38	23	81	43	−39.5	−46.9
Buffalo	319	233	512	491	−27.0	−4.1
Michigan	132	161	150	171	22.0	14.0
Dakota	368	587	1,787	2,345	59.5	31.2
Washington	949	802	3,389	2,840	−15.5	−16.2
Other districts	89	151	485	754	69.7	55.5
Total	2,476	3,146	8,501	12,168	27.1	43.1
Southern border:						
Los Angeles	161	142	650	724	−11.8	11.4
San Diego	248	177	497	325	−28.6	−34.6
Arizona	24	33	62	56	37.5	−9.7
El Paso	5	31	11	64	520.0	481.8
San Antonio	426	449	3,138	4,501	5.4	43.4
Total	864	832	4,358	5,670	−3.7	30.1
Alaska	558	580	1,584	1,879	3.9	18.6
Hawaii	49	50	184	276	2.0	50.0
Florida	1,557	1,611	22,861	24,114	3.5	5.5
Total	2,164	2,241	24,629	26,269	3.6	6.7
Grand total	5,504	6,219	37,488	44,107	13.0	17.7

Drawback transactions.—The number of drawback entries increased by 1,026 to 23,178 in 1938, and drawback payments increased by $1,067,700 to $11,841,390 in 1938. The actual payments corresponded very closely to the total allowed under the various provisions of the Tariff Act of 1930. About 98 percent of the drawback allowed consisted of drawback on exported merchandise manufactured from imported materials, the most important of which were sugar, flaxseed, and copper. Of the notices of intent to export with the benefit of drawback, 3,049 more were filed in 1938 than in 1937. A comparison of these transactions during the last 2 years is presented in the following table:

Drawback transactions, fiscal years 1937 and 1938

Transaction	1937	1938	Percentage increase or decrease (−)
	Number	*Number*	
Drawback entries received	22,152	23,178	4.6
Notices of intent:			
Originating in the district	230,266	233,315	1.3
Received from other districts	104,073	113,813	9.4
Forwarded to other districts for disposition	99,748	104,093	4.4
Certificates of manufacture received	11,139	12,896	15.8
Import entries used in drawback liquidation	19,378	22,237	14.8
Certificates of importation issued	4,518	4,706	4.2
	Amount	*Amount*	
Drawback allowed:			
Manufactured from imported merchandise	$10,504,935.87	$12,013,971.13	14.4
Duty paid on merchandise exported from continuous customs custody	187,179.58	45,465.19	−75.7
Merchandise which did not conform to sample or specifications and returned to customs custody and exported	86,118.07	138,998.62	61.4
Salt used in curing fish	5,244.29	5,897.77	12.5
Total drawback allowed	10,783,477.81	12,204,332.71	13.2
Internal revenue refund on account of domestic alcohol	169,731.18	176,833.11	4.2
Total	10,953,208.99	12,381,165.82	13.0

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Appraisement of merchandise.—In line with the decreases in the number of consumption entries, decreases also appeared in the number of packages examined by appraisement officers, except mail packages. The following is a summary of appraisement activities for the last 2 years:

Examinations by appraisement officers, fiscal years 1937 and 1938

Transaction	1937 [1]	1938	Percentage increase or decrease (−)
Number of packages examined:			
At appraisers' stores	1,390,322	1,274,675	−8.3
At importers' places of business	586,568	432,362	−26.3
On wharves, at freight terminals, on highways, etc.	13,138,038	12,344,163	−6.0
Mail	6,495,941	6,775,119	4.3
Additions to value by examiners:			
Number	6,975	3,045	−56.3
Value	$1,506,061	$811,291	−46.1

[1] Revised.

The organization and functions of the appraisement unit are discussed more fully on page 144.

Protests and appeals.—Fewer protests and appeals were filed during 1938 than during 1937. The following statement shows the progress of this work during the last 2 years:

Number of protests and appeals, fiscal years 1937 and 1938

	1937	1938	Percentage increase or decrease (−)
Protests:			
Filed with collectors by importers	[1] 72,787	50,853	−30.1
Allowed by collectors	885	1,353	52.9
Denied by collectors and forwarded to customs court	[1] 84,539	54,494	−35.5
Appeals for reappraisement filed with collectors	6,656	6,586	−1.1

[1] Revised.

Law enforcement activities

Seizures.—The number of seizures made for violations of customs laws continued to decline, although the amount of decrease during 1938 was smaller than during any recent year. The decrease in 1938 was due chiefly to a decline in the number of merchandise seizures. Lottery seizures, which were of considerable importance a few years ago, numbered only 141 during the year; practically all of such seizures are now handled by the post office authorities.

The number of liquor seizures, for the first time since the repeal of the eighteenth amendment, was larger than during the previous year, such seizures showing an increase of 917 during 1938. Almost 50 percent of the liquor seizures were made in the four customs districts along the Mexican border, where liquor is smuggled only to meet the demands in the vicinity of the border. The largest seizure of distilled liquor was one of 1,459 gallons of rum, valued at $10,465, at Newark, N. J., which represented more than one-third of the total gallonage seized during the year. The largest single seizure of beer, aggregating 197 gallons, was seized at New York City and constituted almost half of the total gallonage seized. Most of the alcohol seizures were along

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

the Mexican border, the largest seizure being one of 115 gallons near Del Rio, Tex.

The total value of all seizures declined during the year by $544,520, which was due almost entirely to the smaller value of merchandise seized. It should be noted, however, that three seizures in 1937 represented more than half of the total value of all seizures for that year, whereas no individual seizures of comparable value were made during 1938. Seizures of cameras, binoculars, and ships' instruments in 1938 were almost three times the value of such seizures during the previous year, and seizures of wearing apparel and of textiles also showed substantial increases.

The number and principal types of seizures made by the Customs Service and other governmental agencies during the last 2 years are shown in the following statement:

Seizures for violations of the customs laws, fiscal years 1937 and 1938

Seizure	1937	1938	Percentage increase or decrease (−)
Merchandise:			
Number	6,994	5,726	−18.1
Value:			
Jewelry, precious metals and stones, watches and parts	$338,959	$92,800	−72.6
Wearing apparel and luggage	60,327	74,699	23.8
Toilet articles and medicine	10,624	9,343	−12.1
Textiles and raw wool	25,203	31,580	25.3
Furs—skins and manufactured	128,045	46,249	−63.9
Edibles and farm produce	50,349	13,649	−72.9
House furnishings, including china	21,241	24,843	17.0
Guns and ammunition	838	757	−9.7
Cameras, binoculars, and ships' instruments	11,790	33,756	186.3
Hardware and sport goods	11,428	2,304	−79.8
Cigars and cigarettes	2,636	2,939	11.5
Books and stationer's supplies	10,727	2,080	−80.6
Prohibited articles	5,668	6,211	9.6
Livestock, etc. (excluding horses)	7,662	9,118	19.0
Miscellaneous	264,904	74,308	−71.9
Total value of merchandise	950,401	424,636	−55.3
Prohibited articles:			
Obscene, number	595	638	7.2
Lottery, number	175	141	−19.4
Narcotics:			
Number	430	683	58.8
Value	$82,551	$46,037	−44.2
Liquors:			
Number	2,430	3,347	37.7
Quantity (gallons):			
Distilled liquors and wines	5,627	3,803	−32.4
Malt	111	466	319.8
Alcohol	860	787	−8.5
Value, all liquors	$33,747	$37,757	11.9
Boats, automobiles, and other means of transportation, value	$193,919	$207,668	7.1
Grand total:			
Number	10,624	10,535	−0.8
Value	$1,260,618	$716,098	−43.2

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The following table presents the record of customs seizures classified according to the various agencies which were instrumental in apprehending violators of customs laws:

Seizures for violations of customs laws, and number of arrests, classified according to agencies participating, fiscal year 1938

Agency	Number of arrests	Seizures						
		Total		Narcotics		Liquor		Lottery and obscene, number
		Number [1]	Value	Number	Value	Number	Value	
Customs Agency Service:								
Investigative Unit	87	411	$192,384	35	$3,451	9	$10,631	2
Enforcement Unit	256	642	77,553	45	2,774	145	6,592	8
Customs Service, exclusive of Agency Service	101	9,099	349,297	410	38,022	3,098	13,033	764
Total Customs Service	444	10,152	619,234	490	44,247	3,252	30,256	774
Coast Guard	-------	3	134	-------	-------	1	120	-------
Immigration Service	41	86	11,295	2	5	52	2,578	-------
Customs Service assisted by other officers	59	83	13,949	21	1,765	30	3,031	2
Other Federal and local officers	31	211	71,486	170	20	12	1,772	3
Grand total	575	10,535	716,098	683	46,037	3,347	37,757	779

Agency	Seizures—Continued								
	Merchandise		Total value boats, automobiles, and horses	Boats		Automobiles		Horses	
	Number	Value		Number	Value	Number	Value	Number	Value
Customs Agency Service:									
Investigative Unit	365	$145,746	$32,556	6	$6,121	87	$26,077	2	$358
Enforcement Unit	444	23,432	[2] 44,755	[2] 8	[2] 2,096	124	36,445	234	6,214
Customs Service, exclusive of Agency Service	4,827	246,099	52,143	13	4,000	132	48,059	5	84
Total Customs Service	5,636	415,277	129,454	27	12,217	343	110,581	241	6,656
Coast Guard	2	14	-------	-------	-------	-------	-------	-------	-------
Immigration Service	32	1,091	7,621	1	15	10	7,590	2	16
Customs Service assisted by other officers	30	2,498	6,655	-------	-------	24	6,300	19	355
Other Federal and local officers	26	5,756	63,938	-------	-------	165	63,938	-------	-------
Grand total	5,726	424,636	[2] 207,668	[2] 28	[2] 12,232	542	188,409	262	7,027

[1] Excludes number of boats, automobiles, and horses, as they were seized in connection with narcotics, etc., seizures.
[2] Includes one wrecked plane, salvage value $256.

In addition to the goods which were seized, claims aggregating $5,496,090 were initiated by the Customs Service against importers in connection with various irregularities and frauds discovered after the goods had gone into consumption.

In their campaign to prevent the smuggling of narcotics, customs and other officers made 503 seizures of narcotic drugs and paraphernalia, valued at $46,037. The total seizures of narcotics during the year increased in number by 190 and decreased in quantity and value by 12,172 ounces and $36,514, respectively. Ninety-two seizures of

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

marihuana weighing 2,638 ounces accounted for part of the increase in the number of seizures. Prior to October 1, 1937, when the Marihuana Tax Act of 1937 became effective, seizures of this drug were turned over to State authorities for disposition.

The following table summarizes the number and value of the boats, automobiles, etc., seized for violations during the last 2 years:

Boats, automobiles, airplanes, and horses seized, fiscal years 1937 and 1938

Seizure	Liquor violations		Narcotic violations		Other violations		Total	
	1937	1938	1937	1938	1937	1938	1937	1938
Boats:								
Number	7	1	1		21	26	29	27
Value	$3,315		$100		$10,251	$11,976	$13,666	$11,976
Automobiles:								
Number	63	49	114	197	350	296	527	542
Value	$7,837	$8,637	$42,554	$76,463	$119,119	$103,309	$169,510	$188,409
Airplanes:								
Number						1		1
Value						$256		$256
Horses:								
Number	6	3			386	259	392	262
Value	$95	$68			$10,648	$6,959	$10,743	$7,027
Total value	$11,247	$8,705	$42,654	$76,463	$140,018	$122,500	$193,919	$207,668

All automobiles seized by narcotic agents are delivered to the Customs Service for forfeiture under customs laws. There were 164 of these automobiles valued at $63,128 in 1938, compared with 103 valued at $37,884 in 1937. During the year, 303 seized automobiles and trucks were either exported or returned to petitioners because the violations were not sufficiently flagrant to warrant the forfeiture. Of the 201 vehicles forfeited, 120 were assigned for official use either to the Customs Service or to some other governmental agency, and 81 were sold at public auction.

In the course of their regular duties, customs officers often apprehend violators of laws other than those relating to customs. During the year, 474 seizures were made for other departments and agencies, which included 450 for the Department of Agriculture. There were 246 persons apprehended, 217 of whom were for the Immigration Service. In addition, 5,135 violations of Department of Agriculture laws were detected.

Legal proceedings.—As the result of narcotic seizures, 89 defendants were presented for prosecution. Including the cases pending from the previous year, those which were concluded resulted in 100 convictions and only 19 acquittals. Prison sentences aggregating over 240 years and fines amounting to $53,000 were imposed by the court on the convicted offenders. In addition, penalties aggregating $151,615 were assessed against the masters of 64 vessels on which narcotic drugs were found concealed. Many of these cases have not yet been concluded, only $8,083 having been collected from the masters of vessels involved in narcotic violations.

In connection with all seizures, there were 575 arrests, a decrease of 49 during the year. Although there were fewer arrests and convictions during 1938, the high ratio of convictions in the cases disposed of continued. Of the 557 cases disposed of, 360 convictions were se-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

cured, or 65 percent of the total; in 1937, in 711 cases disposed of, 491 convictions were secured, or 69 percent of the total. Only 24 defendants were acquitted after trial and 173 cases dismissed or transferred before trial, compared with 52 acquittals and 168 dismissals or transfers in 1937. Prison terms to which customs violators were sentenced aggregated 325 years during 1938, compared with 550 years in 1937, while the total amount of the fines imposed was $135,586 during 1938 and $146,724 during the previous year.

Fines, penalties, etc.—The total collections from fines, penalties, liquidated damages, and sales of seizures aggregated $2,539,162 during 1938, an increase of $1,655,209 during the year. This was the largest total in the history of the customs service, the largest previous total being $2,472,603 in 1928. Almost three-fifths of these collections in 1938 represented the penalties collected in cases which originated prior to the repeal of the eighteenth amendment, and which involved the large scale smuggling of illicit liquors. More than $1,000,000 still remains to be paid in connection with these cases.

Penalties collected for false invoicing, fraud, and undervaluations were almost double such collections during 1937, due to the successful consummation of several important cases, two of which yielded more than half of the total collected for this type of violation. Penalties for irregularities in bonded importations, which represented the largest single item of the 1937 total, decreased sharply during the year. Violations of this sort were technical rather than willful, combining a variety of irregularities, such as failure to produce consular invoices, shortage in or improper delivery of bonded shipments, failure to redeliver merchandise subject to export or further customs examination, etc.

The net proceeds of the sale of seized articles by collectors of customs was more than double that of the preceding year, increasing from $22,151 in 1937 to $50,772 in 1938. The proceeds of articles sold by court order also increased substantially from $46,436 to $109,766. Of the total amount realized from the sale of seized merchandise during the year, gold sold to the Mint aggregated $21,281, and watch movements and parts yielded $48,132. This was the first time in several years that substantial sales of watch movements were made, although most of the seizures of these movements were effected in 1936 and prior years.

Included in the sales were also 99 automobiles for $3,672 and 9 boats for $480, as compared with 105 automobiles and 14 boats during 1937, which yielded $3,888 and $3,631, respectively. No sales of seized liquor were made during the past two years; such seizures, if of a sufficiently good quality for medicinal use, are delivered to the Federal and State Governments or to eleemosynary institutions. The following table presents a summary of the amounts collected for the last 2 years in fines, penalties, and forfeitures and from the sale of seizures, classified according to the type of violation:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Collections for violations of the customs laws, fiscal years 1937 and 1938

Violation	1937	1938	Percentage increase or decrease (−)
Undeclared articles in baggage of passengers arriving from abroad	$162,425.64	$158,350.19	−2.5
Irregularities in bonded importations (liquidated damages)	267,430.12	149,318.60	−44.2
False invoicing, including undervaluation	250,973.86	477,367.43	90.2
Liquor	27,247.12	1,491,722.25	5,374.8
Smuggling (including conspiracy), mostly criminal cases	36,731.01	23,212.16	−36.8
Failure of masters of vessels to make complete manifest of imported merchandise	14,744.19	17,568.04	19.2
Unlading foreign merchandise without customs supervision	11,059.72	14,350.14	29.8
Narcotics:			
By masters of vessels on which violations occur	13,634.03	8,082.60	−40.7
Other offenders	2,474.84	4,186.63	69.2
Irregularities in mail importations	14,876.13	16,482.40	10.8
Failure to report arrival in United States	8,193.34	6,574.06	−19.8
Miscellaneous	5,575.98	11,409.08	104.6
Net proceeds from sale of goods seized and forfeited for all violations	68,586.99	160,538.37	134.1
Total	883,952.97	2,539,161.95	187.3

Coordination with other agencies.—The coordination plan adopted in August 1934, which developed closer cooperation between the Coast Guard, Alcohol Tax Unit, Bureau of Narcotics, Secret Service, and Customs Service, remained in operation during the year. The continued effectiveness of the law enforcement branches of these agencies, as a result of this coordination, has been most gratifying.

Smuggling

The illicit importation of over 900,000 lottery tickets was prevented during the year. As a result of information regarding a suspected vessel at Portland, Maine, in February 1938, customs officers seized 6 bales containing 368,640 lottery tickets. The officer of the ship, responsible for the importation, and the person who was to receive delivery in this country were both arrested, and after trial were fined $500 and $1,000, respectively. Later, bales containing large numbers of lottery tickets were picked up at various points on the beach.

Two somewhat unusual seizures in Buffalo during April and June 1938 consisted of platinum concentrate, aggregating 71 ounces and valued at $1,509. Chemists, to whom this valuable commodity was offered for sale, became suspicious as to its source, and the subsequent investigation by customs agents resulted in the arrest not only of the middlemen who were attempting to negotiate the sale but also of their principal. The concentrate had been stolen from the Canadian manufacturer by a confederate.

Acting upon information, customs agents discovered in the baggage of an incoming passenger at New York in November 1937 wearing apparel and jewelry to the value of $19,819, purchased in Europe at various times but never included in his previous baggage declarations upon his return to this country. As a result, $31,743 was paid by the defendant, which represented the forfeiture value of most of the merchandise, 75 percent of the personal penalty incurred, and a mitigated penalty on a small portion of the goods seized. This represents the largest seizure and collection during the year for undeclared merchandise in passengers' baggage.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Smugglers of furs, who met with reversals in northern New York in 1937, transferred their activities to Maine during the year. In August 1937 customs patrolmen effected the seizure of 148 silver fox pelts and arrested, near Monticello, Maine, the two men who were carrying them over the border. Four others, subsequently arrested in connection with the conspiracy, have already been sentenced. The pelts were disposed of at public auction for $10,325.

The prevention of the smuggling of livestock represents one of the major activities at certain points along the borders. The illicit introduction of uninspected animals into this country is particularly dangerous because the animals coming from the north are frequently infected with tuberculosis and Bangs disease, and those coming from the south with fever tick. As a result of seizures of Canadian cattle in the St. Lawrence district, one of the worst offenders in northern New York has been indicted, and the cattle auction sales which he had held for years have been discontinued.

As the result of information, an investigation at El Paso resulted in the seizure of 100 gallons of alcohol in November 1937 and the arrest of a Mexican liquor dealer and two of his employees, one of whom received a penitentiary sentence of 20 months. The principal in this case, who for several years had been known as the source of supply for non-tax-paid liquor and alcohol, forfeited a $7,500 bail bond and is now a fugitive from justice.

The largest liquor seizure during the year, consisting of 164 barrels of Bacardi rum aggregating 1,459 gallons, was effected at Newark, N. J., in April 1938, and resulted from the previous exportation to Cuba and the subsequent fraudulent reimportation of the shipment at New Orleans in an effort to secure the lower rates of duty on the products of Cuba. Criminal proceedings will probably be brought against the principals in this case for their conspiracy to defraud the Government.

Enforcement officers continued to give special attention to the smuggling of narcotics and, as a result, important seizures of contraband were made at widely separated points.

Seizures were made of 349 ounces of heroin in August and of 1,012½ ounces of crude opium in September 1937. The former seizure, which was concealed in the bulkhead of a locker in a stateroom, was made by customs guards in the course of their routine search of the vessel. In the latter case, as a result of information supplied by customs agents, the carrier was taken into custody on the high seas by the master of the vessel, and his stateroom sealed until the vessel's arrival in New York, where the carrier and the contraband merchandise were delivered to customs officers. Five arrests and convictions resulted from these two seizures, with sentences ranging from 1 to 15 years.

The detection by a customs guard, in New York in September 1937, of a member of the crew of a trans-Atlantic liner who had three bags of heroin concealed inside a cloth belt underneath his clothing led to the subsequent discovery of 14 additional identical bags concealed at various places on the vessel, the aggregate weight of which was 138 ounces. The carrier is now serving a 5-year sentence for his part in the smuggling operations, but refused to assist in the detection of the principals. A penalty of $7,905, equal to $50 per ounce, was imposed against the master of the vessel in this case.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The baggage examination at Rouses Point, N. Y., in July 1937, of a passenger en route from Europe, revealed 320 ounces of heroin concealed in a secret compartment of his trunk. A confession by the carrier, who later committed suicide, led to the subsequent detection of another carrier at New York with 464 ounces of heroin, also concealed in false compartments of his luggage.

Seizures both of crude and smoking opium along the Mexican border were quite numerous, and the quantity of drugs seized was greatly in excess of seizures during previous years. The largest narcotic seizure in this region was made by customs patrolmen near Sasabe, Ariz., and involved a Mexican customs officer, who had in his possession 512 ounces of crude opium. This officer had abused the courtesy extended to him by American customs officers in allowing him to pass without the customary search of his automobile. The offender and his companion pleaded guilty and were sentenced to 5 and 4 years imprisonment and to fines of $1,000 and $600, respectively.

As the result of the suspicious behavior of a narcotic addict and his companion, both with previous criminal records, customs patrolmen, in February 1938, arrested these men near Nogales, Ariz., on their return from Mexico with 192 ounces of crude opium and smaller quantities of other narcotics in their possession. The cases against these offenders have not yet been tried.

The seizure near Douglas, Ariz., in February 1938, of 294 ounces of smoking opium was effected when the carrier attempted to deliver the contraband to a customs patrol officer, who was posing as the purchaser. The carrier in this case, after pleading guilty, was sentenced to 2 years in prison and fined $400.

The greater number and larger size of narcotic seizures in this region was brought to the attention of the Mexican Government and, as a result of cooperation between Mexican and United States authorities, measures have been taken to suppress the cultivation in Mexico of opium poppies.

The arrest by customs guards at San Francisco in April 1938, of a petty officer of a United States Navy transport, in possession of 540 ounces of smoking opium, led to an investigation which culminated in the successful prosecution of 4 persons. The carrier was sentenced to 18 months imprisonment, and the other persons concerned, including another enlisted man of the Navy, were sentenced to from 2 to 8 years, and fined.

In the routine search of a vessel which had arrived at New York in March 1938, a customs guard discovered two paper packages which contained 141 ounces of heroin concealed in a sack of sawdust. Although at the time of seizure there was nothing to identify the offender, subsequent examination of the crew disclosed sufficient information to cause his arrest and conviction, and he is now serving a 5-year sentence. This case also resulted in the arrest in Belgium of the trafficker who had supplied the narcotics.

One of the largest seizures of marihuana during the year consisted of 854 ounces enclosed in a steel drum which was discovered on a Florida beach. Investigation disclosed that the contraband had been brought from Mexico and had been unladen under cover of darkness by members of the crew of a vessel. The master, long known as a notorious narcotic smuggler, and one of the crew members were convicted and sentenced to prison terms.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The alertness of the acting appraiser at Dayton, Ohio, led to the discovery that machinery invoiced and entered at a value of $6,500 had a true dutiable value of $18,793; this gross undervaluation necessitated the seizure of the importation. This case is but one of the many in which attempts to defraud the Government by this means were detected.

A larger amount of gold illegally brought into this country was seized during the year than during any year since the enactment of the Gold Reserve Act of 1934. In a number of cases, coins or gold dust were brought in through ignorance of the requirement that it should be declared upon entry, and the offense was detected upon its presentation to the Mint or to a licensed dealer for the purpose of sale. In other instances, however, actual smuggling was attempted. An alien, discovered at San Antonio in July 1937 with Mexican gold coins valued at approximately $6,000, had smuggled them across the border wrapped in a bag inside a spare tire in his automobile.

Customs procedure

During the year, the Bureau of Customs participated in the preparation and presentation to Congress of various proposed changes in the administrative provisions of the Tariff Act and related statutes for the purpose of modernizing existing legislation so as to simplify the interpretation of the law, facilitate its administration, and correct certain abuses which had grown up in the past years. These suggestions were incorporated in the Customs Administrative Act of 1938, which was approved by the President on June 25, 1938. (See exhibit 62, page 332.) The passage of this act necessitated many revisions in the Customs Regulations of 1937.

Two trade agreements were entered into during the year, making 17 trade agreements in effect during a greater part of this period. These trade agreements continued to require numerous interpretative decisions by the Bureau. Statutes imposing compensatory taxes on sugar and sugar products and legislation modifying the import taxes imposed by previous revenue acts on lumber and certain oils and oil products also required the issuance of new regulations.

The application of the countervailing duty provisions of the Tariff Act of 1930 to importations from certain foreign countries continued to present many difficult legal questions.

An active part was taken in the preliminary work incident to the issuance of a grant by the Foreign Trade Zone Board under the provisions of the act of June 18, 1934, to operate a foreign trade zone at Mobile, Ala. The zone, which is the second one established, was opened shortly after the end of the fiscal year.

Customs Agency Service

The Customs Agency Service is the investigative unit of the Customs Service and is charged primarily with the duty of preventing and detecting frauds in customs revenue. The officers of this Service are required by the regulations to conduct all investigations involving fraud or violations of the customs laws, and to investigate and report upon all matters brought to their attention by the Secretary of the Treasury, Department officials, the Commissioner of Customs, col-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

lectors, and other customs administrative officers, with respect to undervaluation, drawback, classification, smuggling, personnel, customs procedure, and other related subjects. At the close of the year 880 persons were in this Service. The following is a partial summary of the activities of the Customs Agency Service, exclusive of seizures, arrests, and actions connected therewith:

	Number
Investigations of violations of customs laws:	
Undervaluation	2,359
Marking violations	376
Diamond and jewelry smuggling	300
Narcotic smuggling	1,842
Other smuggling	1,612
Touring permits	872
Other investigations:	
Alleged erroneous customs procedure	193
Drawback	1,481
Classification and market value	646
Customs bonds to determine solvency and sufficiency	112
Applications for customhouse brokers' licenses	99
Applications for bonded truckmen's licenses	114
Petitions for relief	550
Personnel	286
Navigation violations	450
Pilferage of merchandise	102
Foreign, by members of domestic service	622
Examinations:	
Financial accounts of collectors	315
Customhouse brokers' records	191

In addition to the law enforcement work, illustrations of which have been cited previously, other important aspects of the duties of this Service are outlined in the following paragraphs.

Undervaluation.—Customs agents during the year unearthed and investigated numerous cases of undervaluation and false classification of imported merchandise, with the result that the customs revenue has been materially increased by recoveries, and the violators penalized. The number of undervaluation cases of a criminal nature, involving fraudulent intent, were fewer during the year, due not only to the vigilance of customs agents, but also to the general knowledge that all violations of law and/or irregularities disclosed are being investigated to determine whether or not they may be brought within the provisions of the penal statutes.

The most important case of this type during the past year was that of an importer of watch and clock parts from Switzerland who, during the period from 1934 to 1937, had imported hair springs with collets attached (the collet being a small brass bushing for attaching hair springs to the staff of the balance wheel). These were entered and declared as hair springs without mention of the collets. The examining officers had been requested to be very careful in opening and examining the envelopes containing watch parts so as to avoid as far as possible any deterioration by exposure of the parts to the atmosphere and, for this reason, failed to note that these hair springs had the collets already attached to them. An informer brought this to the attention of customs agents; and upon investigation the collector's office decided that the hair springs with collets attached should be classified as sub-assemblies. The importer paid $173,234 in mitigation of the forfeiture value, which amounted to $259,419.

Drawback investigations.—The importance of the investigation of the claims of manufacturers desiring to establish a rate of drawback is indicated by the fact that $11,841,390 was paid as drawback during the year. In addition to the preliminary investigations, frequent examinations are made to determine whether fraud or misrepresentation has existed in connection with drawback payments and claims.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

These investigations resulted in the detection of a number of irregularities and in substantial recoveries by the Government.

Port Examination Commission.—During the year the Port Examination Commission of the Customs Agency Service examined the accounts and procedure in eight customs collection districts for the purpose of securing uniformity and greater efficiency in the conduct of the customs business. In addition, customs agents examined 315 financial accounts of collectors of customs.

Enforcement Unit.—During the first full year of its operation as a part of the Customs Agency Service, the Enforcement Unit demonstrated the wisdom of such an organization. Customs patrolmen were used at seaports when necessary, their activities no longer being limited to the land border. In order to make this unit of wider usefulness, patrolmen received instruction in law enforcement and methods of investigation, and intensive instruction and competition in the use of firearms.

Foreign investigations.—The customs agents in the foreign service, known as Treasury representatives, continued to secure reports regarding foreign values or export values for the use of appraising officers in the United States. In addition, these officers rendered invaluable service in securing information regarding the attempted smuggling of narcotics, jewelry, and other merchandise, which made possible many of the seizures in this country.

Miscellaneous

Customs School of Instruction.—The School of Instruction for the Customs Service, which has now completed the third year of its existence, has an enrollment of over 10,000, including the entire personnel of the Customs Service and officers and employees of about 20 other departments and branches of the Government and of the Philippine Islands.

The instruction, which is conducted entirely by correspondence, is supplemented at many ports by discussions or lectures which are directed or given by expert field officers. It has been found that such discussions and lectures materially increase the employees' knowledge of customs law and procedure.

Appraisement Unit.—In order to promote efficiency and uniformity in the appraisement and classification of imported merchandise, the Appraisement Unit was established on September 1, 1937, when fifteen of the more important appraising officers and the Customs Information Exchange were transferred to this Unit. Subsequently, additional appraising officers were separated from the administrative control of the collectors of customs and placed in the Unit.

The Customs Information Exchange disseminates information of general interest to customs officers, secures special information in response to specific inquiries, and acts as a clearing house of information obtained as the result of foreign investigations. The activities of the exchange during the year are summarized as follows:

	Number
Appraisers' reports of values or classification received	13,846
Appraisement appeals reports received	6,305
Changes in value circulated	2,612
Requests for investigation abroad	1,287
Reports received in response to requests for investigtion abroad	1,927
Reports of original investigations by Treasury attachés and price lists from American consuls received and circulated	5,510
Differences in classification of merchandise between the various field officers reported to the Bureau of Customs	735

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Quota control.—Import quotas, established under the terms of the Canadian trade agreement, Philippine Independence Act, the Philippine Cordage Act, and Executive Orders Nos. 7575, 7701, and 7822, limit the quantity of certain commodities which may be imported within quota periods or may affect the dutiable status of certain other commodities within quota limitations. The control of these quotas is administered by the Bureau of Customs. Periodic information is provided through the press regarding the percentage of fulfillment of each import quota and when the quota on any commodity is approaching fulfillment. Information regarding each of the quotas for the quota periods ended in the fiscal years 1937 and 1938 is summarized in the following table:

Commodities imported under quota provisions during quota periods ended in the fiscal years 1937 and 1938

Commodity	Unit of quantity	Quota	Quota period	Total imports under quota limitation	Percentage of quota filled
Sawed timber and lumber, n. s. p. f., of Douglas fir or Western hemlock.	Board foot.	250,000,000	Calendar year: 1936	151,989,903	60.80
			1937	142,166,488	56.87
Cattle, weighing less than 175 pounds each.	Head	51,933	Calendar year: 1936	51,933	[1] 100.00
			1937	51,933	[2] 100.00
Cattle, weighing 700 pounds or more each and n. s. p. f.	Head	155,799	Calendar year: 1936	155,799	[3] 100.00
			1937	155,799	[4] 100.00
Cows, weighing 700 pounds or more each and imported specially for dairy purposes.	Head	20,000	Calendar year: 1936	6,579	32.90
			1937	6,778	33.89
Cream, fresh or sour	Gallon	1,500,000	Calendar year: 1936	44,352	2.96
			1937	137,695	9.18
White or Irish certified seed potatoes.	Pound	45,000,000	12 months from—Dec. 1, 1935	43,559,641	96.80
			Dec. 1, 1936	44,992,458	99.98
Red cedar shingles from Canada	Square	1,048,262	6 months from—Jan. 1, 1937	1,042,163	99.42
		892,373	July 1, 1937	892,373	[5] 100.00
		916,246	Jan. 1, 1938	916,246	[6] 100.00
Coconut oil from the Philippine Islands.	Pound	448,000,000	Calendar year: 1936	332,178,968	74.15
			1937	351,027,858	78.35
Refined sugar from the Philippine Islands.	Pound	112,000,000	Calendar year: 1936	111,898,047	99.91
			1937	111,941,218	99.95
Unrefined sugar from the Philippine Islands.	Pound	1,792,000,000	Calendar year: 1936	1,791,313,982	99.96
			1937	1,791,328,176	99.96
Yarns, twines, cords, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fiber, from the Philippine Islands.	Pound	6,000,000	12 months from—May 1, 1936	6,000,000	[7] 100.00
			May 1, 1937	5,894,502	98.24

[1] Quota filled Aug. 7, 1936.
[2] Quota filled June 19, 1937.
[3] Quota filled Nov. 13, 1936.
[4] Quota filled Aug. 14, 1937.
[5] Quota filled Nov. 1, 1937.
[6] Quota filled Apr. 25, 1938.
[7] Quota filled Apr. 22, 1937.

Division of Laboratories.—During the year, the 9 customs laboratories, located at Baltimore, Boston, Chicago, Los Angeles, New Orleans, New York, Philadelphia, San Francisco, and Savannah, analyzed 82,264 samples of merchandise, an increase of 1,279 over last year. These analyses included 35,385 samples of sugar, 13,610 of ores, metals, etc., 5,362 of textiles, 3,796 of fixed oils, fats, etc., and 3,280 of suspected opium and narcotics, the latter representing an increase of 1,973 over the previous year.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

A modern chemical laboratory was completed and equipped at Savannah, and plans are now being made to enlarge and modernize the customs laboratory at San Francisco.

Customs chemists assisted in developing a simple "spot test" set for morphine, heroin, etc. Hundreds of these test sets have been distributed to customs officers for their use in determining rapidly whether suspected materials actually contain narcotic drugs. Thirty-nine different methods of laboratory analysis for as many commodities were prepared by individual customs chemists for use in the various laboratories. In order to insure uniformity in analyzing and reporting samples of merchandise, a plan was instituted for sending identical prepared samples to each customs laboratory for a comparative test.

Changes in ports and stations.—One port at Nome, Alaska, and two stations at Lake Linden, Mich., and West Point, Va., were abolished during the year. A new port of entry was designated at Port St. Joe, Fla., made necessary by the erection of a pulp mill using imported materials, and one was designated at Highgate Springs, Vt. The status of the following 23 stations was changed by Executive order to that of ports of entry on July 15, 1937 (T. D. 49029): South Haven, Mich.; Pigeon River Bridge, Pine Creek, and Roseau, Minn.; Dunseith, Fortuna, Maida, and Noonan, N. Dak.; Morgan, Opheim, Peskan, Piegan, Raymond, Roosville, Scobey, Turner, Westby, Whitetail, and Whitlash, Mont.; Lynden and Metaline Falls, Wash.; and Ysleta and Freeport, Tex.

Permanent stations were designated during the year at Port McNicoll, Ont., Crane Lake, Minn., Antelope Wells, N. Mex., Columbia Falls, Mont., Beebe Plain, Vt., and Morses Line, Vt., and some seasonal stations were established at other points. At the end of the year there were 309 ports of entry and 80 permanent stations.

The oversea highway connecting the island of Key West and the mainland of Florida was formally opened toward the close of the fiscal year. The reestablishment of daily ferries for passenger service between Key West and Havana during the coming tourist season is expected to follow the resumption of automobile traffic with the mainland, thus causing Key West to recover at least partially the importance as a port of entry which it possessed before the destruction of all connecting bridges, viaducts, etc., by the hurricane in 1935.

Cost of administration.—The total revenues collected by the Customs Service during the year, including collections for other departments, etc., amounted to $392,057,977, a decrease of $132,213,494 from the previous year. As explained in the preceding pages, the volume of work performed by the Service, instead of following the trend in collections, was even greater than during 1937. The expenses, therefore, increased by $95,010 to $20,610,568 in 1938, causing an increase from $3.91 in 1937 to $5.26 in 1938 in the cost to collect $100.

BUREAU OF ENGRAVING AND PRINTING

The deliveries of currency, securities, stamps, and miscellaneous printings by the Bureau during the year amounted to 420,949,382 sheets, an increase of 5,951,590 sheets over the previous year.

A statement of deliveries of finished work in the fiscal years 1937 and 1938 follows:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Deliveries of finished work, fiscal years 1937 and 1938

Class	Sheets		Face value, 1938
	1937	1938	
Currency:			
United States notes	4,536,000	4,753,000	$231,540,000
Silver certificates	62,584,000	71,955,000	1,547,664,000
Federal Reserve notes	12,895,850	13,823,600	2,446,620,000
Total	80,015,850	90,531,600	4,225,824,000
Bonds, notes, certificates, and bills:			
Pre-war bonds	855	1,012½	4,111,300
Treasury bonds	588,332⅓	732,967⅓	5,078,587,500
United States savings bonds	2,571,000	2,895,000	722,000,000
Adjusted service bonds, U. S. Government life insurance fund series	50		
Treasury notes	172,450	211,979	5,848,450,000
Treasury bills	17,846	18,741	4,398,264,000
Certificates of indebtedness	500	100	
Insular bonds:			
Philippines	19,870	10,890	1,477,500
Puerto Rican	1,830⅓	3,480½	1,475,000
Farm loan bonds	47,697	12,691	8,281,940
Consolidated farm loan bonds	11,585	21,555	69,520,500
Consolidated collateral trust debentures for the twelve Federal intermediate credit banks	11,500	25,000	480,000,000
Federal Farm Mortgage Corporation bonds	12,000	5,580	72,300,000
Home Owners' Loan Corporation bonds	9,555	22,055	755,000,000
Commodity Credit Corporation collateral trust notes	1,250	2,340	72,750,000
Commodity Credit Corporation notes		34,000	445,000,000
Federal Housing Administration:			
Mutual mortgage insurance fund debentures		8,500	17,900,000
Housing insurance fund debentures		6,000	20,300,000
Reconstruction Finance Corporation notes	500		
United States Housing Authority notes		100	
Federal home loan banks consolidated debentures	7,600	71,135	245,000,000
Cuban silver certificates	364,583⅓		
Philippine treasury certificates	2,040,000	2,740,200	44,354,000
Philippine national bank circulating notes		72,000	1,530,000
Interim transfer certificates for postal savings bonds	2,500	1,000	
Interim certificates for Commodity Credit Corporation notes		20,500	
Interim certificates for Federal national mortgage association notes		16,375	
Interim certificates for Puerto Rican bonds	1,000	75	
Specimens:			
Treasury bonds	2½	3½	
United States savings bonds	1		
Adjusted service bonds, U. S. Government life insurance fund series	1		
Treasury notes	3½	3	
Insular bonds:			
Philippines	7	5	
Puerto Rican	30	35	
Farm loan bonds	2		
Consolidated farm loan bonds		2	
Collateral trust debentures	2		
Federal Farm Mortgage Corporation bonds	2	4	
Home Owners' Loan Corporation bonds	2		
Commodity Credit Corporation collateral trust notes	12	15	
Commodity Credit Corporation notes		2	
Federal Housing Administration:			
Mutual mortgage insurance fund debentures		2	
Housing insurance fund debentures		2	
United States Housing Authority notes		1	
Federal home loan banks consolidated debentures	2	8	
Interim certificates for Commodity Credit Corporation notes		1	
Interim certificates for Federal national mortgage association notes		12½	
Total	5,882,571⅒	6,933,372½	18,286,301,740

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Class	Sheets		Number of stamps, etc., 1938
	1937	1938	
Stamps:			
Customs	277,450	240,000	7,000,000
Internal revenue:			
United States	141,508,818 $\frac{67}{704}$	136,683,074 $\frac{3}{74}$	12,101,906,819
Philippines	88,150	101,275	12,288,700
Puerto Rican	924,055	934,700	61,956,000
Virgin Islands	350	550	55,000
District of Columbia	88,108	128,788	25,757,600
Federal migratory-bird hunting	12,964	15,593 $\frac{3}{4}$	1,746,500
Tax-exempt potato (delivered to Procurement Division, Treasury Department, for destruction)		21,283 $\frac{388}{800}$	7,662,239
Specimens, United States	756 $\frac{52}{404}$	61 $\frac{3}{5}$	2,124
Postage:			
United States	150,558,733	156,751,275	15,161,993,404
United States, for testing purposes, Bureau of Standards	205 $\frac{15}{17}$	88 $\frac{4}{17}$	15,000
Canal Zone	10,500	79,116	6,802,360
Philippines	987,909 $\frac{1}{2}$	485,448	48,133,180
Specimens, United States	155 $\frac{1331}{1700}$	73 $\frac{187}{340}$	3,674
Postal savings	6,928	6,254 $\frac{1}{2}$	625,450
Total	294,465,084 $\frac{327}{1700}$	295,447,582 $\frac{713}{1224}$	27,435,948,050
Miscellaneous:			
Checks	27,824,992	22,949,952	114,749,760
Warrants	47,690	53,500	258,500
Commissions	183,746	71,301	41,766
Certificates	5,998,493 $\frac{3}{4}$	4,579,109 $\frac{5}{8}$	19,749,695
Drafts	500	250	1,000
Transportation requests	224,119	183,205	916,025
Other miscellaneous	352,264 $\frac{3}{4}$	198,695 $\frac{47}{72}$	2,832,324
Specimens	230 $\frac{1}{2}$	157	697
For experimental purposes	1,975		
Blank paper	276	657	
Total	34,634,286 $\frac{4}{16}$	28,036,827 $\frac{13}{24}$	138,549,767
Grand total	414,997,791 $\frac{485}{1700}$	420,949,381 $\frac{1143}{1224}$	

The following dies for new postage stamps were engraved during the year:

Issue	*Denomination (cents)*
Commemorative, series 1937:	
Sesquicentennial of the Constitution	3
Hawaii	3
Virgin Islands	3
Puerto Rico	3
Alaska	3
Commemorative, series 1938:	
Sesquicentennial of the Ratification of the Constitution	3
Delaware Tercentenary	3
Centennial of Iowa Territory	3
Sesquicentennial of the Northwest Territory	3
United States National Parks, series of 1934	10
(Souvenir sheets issued complimentary to the 43rd Annual Convention of the Society of Philatelic Americans, held in Asheville, N. C., August 26-28, 1937.)	
Air mail, series 1938 (bicolor)	6

Ordinary postage, series 1938: ½, 1, 1½, 2, 3, 4, 4½, 5 to 22, inclusive, 24, 25, 30, 50 cents; $1.00, $2.00, $5.00.

During the year a minor change was made in the plates for United States currency and Federal Reserve notes. The plate numbers appearing on the face and back of the notes were enlarged and the series designation was changed by the addition of a letter following the series year. On the $1 silver certificates the series was omitted from the face plates and was overprinted on the notes with the signatures. All other classes and denominations have the series designation engraved in the face plates.

The Bureau's new annex was completed and officially accepted May 17, 1938, and a number of activities were moved into the building between that date and June 30, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The personnel and activities of the guard force were transferred to the Secret Service Division, effective June 30, 1937.

The gradual diminishing of the plate printing force, due to numerous retirements from that group, occasioned the employment in the latter part of the year of 32 plate printer apprentices, between the ages of 18 and 20 years, to acquire practical knowledge of the different phases of printing, method of preparing and handling paper, inks, etc. These were the first apprentice appointments made since 1918.

Representatives were sent to the philatelic exhibition held at the Benjamin Franklin Institute in Philadelphia, Pa., from May 18 to 26, 1938, to demonstrate the printing of postage stamps.

A committee was formed to make observations and studies of hazardous conditions in the Bureau with the view to the protection of life and property. A fire fighting corps was also organized, which is composed of over 300 employees under the training and supervision of an experienced fireman.

At the beginning of the fiscal year there were on the pay roll 5,047 employees, including 107 who were holding temporary appointments. Increases in the requirements for currency, bonds, and postage stamps required additional personnel so that at the end of the year there were 5,500 employees on the pay roll.

There was expended during the year for salaries and expenses $12,037,336.41, an increase of $1,266,271.41 over the previous year. The following statement shows the appropriations, reimbursements, and expenditures for the fiscal years 1937 and 1938:

Appropriations, reimbursements, and expenditures, fiscal years 1937 and 1938

	1937	1938	Increase or decrease (−)
Appropriations:			
Salaries and expenses	$6,328,430.00	$7,500,000.00	$1,171,570.00
Deficiency for 1937–38	1,400,000.00	[1] 499,375.12	−900,624.88
Deficiency for 1938		500,000.00	500,000.00
Reimbursements to appropriation from other bureaus for work completed [2]	3,502,635.00	3,599,037.28	96,402.28
Total	11,231,065.00	12,098,412.40	867,347.40
Expenditures, salaries, and expenses [3]	10,771,065.00	12,037,336.41	1,266,271.41
Unexpended balance	[1] 460,000.00	61,075.99	−398,924.01

[1] Unexpended balance of deficiency appropriation which was available for expenditure to June 30, 1938. The difference between the amount shown as unexpended balance in the year 1937 and the amount available for expenditure in the year 1938 is due to canceling part of purchase order for intaglio ink paste in the amount of $29,049.05 and to several other adjustments.

[2] An additional amount of $8,558.25 received from sale of byproducts and useless property was deposited to the credit of the Treasurer of the United States as miscellaneous receipts.

[3] Includes $9,000 and $11,300 transferred to Bureau of Standards for research work in 1937 and 1938, respectively, and $323,999.22 and $358,421.89 transferred to retirement fund in 1937 and 1938, respectively.

COMMITTEE ON ENROLLMENT AND DISBARMENT

The Committee on Enrollment and Disbarment is an administrative and judicial body. It has charge of the enrollment of attorneys and agents for practice before the Treasury Department and conducts hearings in disbarment proceedings. An attorney, not a member of the committee, represents the Government before the committee. All complaints are filed with the attorney for the Government, who institutes proceedings in disbarment or suspension if the charges warrant such action. The committee also issues licenses

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

to customhouse brokers and makes findings of fact and recommendations to the Secretary in proceedings for the revocation or suspension of such licenses.

The following statement summarizes the work of the committee for the year 1938:

	Number
Attorneys and agents:	
Applications for enrollment approved	3,771
Applications for enrollment disapproved	44
Formal hearings on applications	2
Applications withdrawn on advice of committee	239
Complaints against enrolled persons:	
Pending July 1, 1937	31
Filed during the year	17
	48
Disposed of:	
Dismissed	13
Disbarred	4
Stricken from the rolls in the course of disbarment proceedings	2
Reprimanded	3
Complaint stetted	1
	23
Pending June 30, 1938	25
Charges made, names stricken from the rolls	2
Cases of minor infractions of the regulations in which enrollees were given an opportunity to show cause why proceedings should not be instituted	17
Customhouse brokers:	
Applications for licenses approved	60
Applications for licenses denied	11
Applications withdrawn	9
Licenses revoked	4
Licenses suspended	1
Licenses canceled	10
Reprimanded	1

Since the organization in 1921 of the Committee on Enrollment and Disbarment, 50,874 applications for enrollment have been approved and 680 disapproved. One hundred ninety-seven practitioners have been disbarred from further practice before the Treasury Department, 132 have been suspended from practice for various periods, and 172 have been reprimanded.

FEDERAL ALCOHOL ADMINISTRATION [1]

The Federal Alcohol Administration is charged with preventing certain trade practices on the part of alcoholic beverage producers, importers, and wholesalers, with a view to the elimination of "tied" retail outlets, commercial bribery, consignment sales, false or misleading labeling and advertising, bulk distribution of distilled spirits, and interlocking directorates in the distilling and rectifying fields. The Federal Alcohol Administration Act requires that all producers (other than brewers), importers, and wholesale distributors of alcoholic beverages secure permits from the Administration which are conditioned upon compliance with the provisions of the act, the twenty-first amendment and its enforcing laws, and all other Federal alcoholic beverage laws.

Applications for permits on the part of persons entering businesses specified in the act, applications for label approval or exemption to cover new labels or changes in approved labels, and proposals involving amendments to the regulations are continually being received for consideration and appropriate action.

[1] More detailed information concerning the activities of the Federal Alcohol Administration is contained in the annual report of the Federal Alcohol Administrator.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Permit Division

Due to changes in the control of plants and businesses operated under basic permits and to the entry of new members into the industry, the permit functions of the Administration are continually being exercised. Notwithstanding the termination of 1,693 permits, the number of outstanding permits increased by 942 during the year.

The following statement summarizes the activities of the Permit Division for the fiscal year 1938:

Permit activities, fiscal year 1938

	Distillers	Rectifiers	Importers	Wine producers and blenders	Warehousing and bottling [1]	Wholesalers	Total
Applications for permits:							
Pending July 1, 1937	17	19	45	33	3	301	418
Received	94	66	200	208	9	2,114	2,691
Total to be disposed of	111	85	245	241	12	2,415	3,109
Withdrawn	3	5	9	10	2	180	209
Incomplete, closed	2	5	1	8		28	44
Denials after hearing						4	4
Denials in default of request for hearing				1		8	9
Permits issued after hearing						2	2
Permits issued under regular procedure	91	61	211	212	8	2,050	2,633
Total disposed of	96	71	221	231	10	2,272	2,901
Pending June 30, 1938	15	14	24	10	2	143	208
Permits:							
In effect July 1, 1937	499	404	1,073	1,457	48	10,786	14,267
Issued	91	61	211	212	8	2,052	2,635
Canceled	137	86	225	148	6	1,079	1,681
Revoked	12						12
In effect June 30, 1938	[2] 441	379	1,059	1,521	50	11,759	15,209

[1] Warehousing and bottling permits issued to proprietors of bonded warehouses only. Such permits are held also by all distillers and rectifiers.

[2] Of the 441 distillers' basic permits, 87 merely authorize the operation under lease of existing distilleries, and the remaining 354 permits cover actual authorized distilling plants.

In addition to the above activities, 1,204 basic permits were amended during the year involving principally changes in corporate or trade names and changes in the location of plants or businesses covered by basic permits.

Label Examination Division

For the purpose of providing adequate information and preventing deception to the consumer with respect to the labeling of alcoholic beverages, the Federal Alcohol Administration Act provides that all bottled distilled spirits and wine shipped in interstate commerce, or imported into the United States, must be covered by certificates of label approval issued by the Administrator. Similar certificates are required for labels of malt beverages shipped into a State having regulations similar to those of the Administration.

Certificates of exemption from label approval may be issued for labels of wine or distilled spirits bottled within a State for intrastate sale only. However, if the State in which the product is bottled has regulations similar to those of the Administration, exemption certificates are not issued as such certificates would serve no useful purpose.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Although there was a marked decrease in the label applications filed during the year for both domestic and imported products, the filing of applications continued heavy. Competition in the industry and new private brands were important elements contributing to the large number of applications. As heretofore, the large majority of applications covered domestic distilled spirits and wine. During the year an average of more than 2,400 label applications were acted on per week.

The following table shows the action of the Administrator on applications for label approval for distilled spirits, wine, and malt beverages, both domestic and imported, and certificates of exemption for label approval during the fiscal year:

Label activities, fiscal year 1938

	Distilled spirits	Wine	Malt beverages	Total
	Domestic			
Certificates of approval issued	45,559	45,544	1,020	92,123
Applications for certificates of approval disapproved	5,187	3,853	244	9,284
Certificates of exemption issued	8,981	178	(1)	9,159
Total	59,727	49,575	1,264	110,566
	Imported			
Certificates of approval issued	3,052	9,449	134	12,635
Certificates of limited approval issued [2]	389	186	----------	575
Applications disapproved	612	1,188	22	1,822
Total	4,053	10,823	156	15,032
Grand total	63,780	60,398	1,420	125,598

[1] The regulations do not provide for the issuance of certificates of exemption from label approval for malt beverages.

[2] The certificates of limited approval were issued only for labels of distilled spirits and wine entered into customs custody prior to the effective dates of the regulations. These certificates were issued for labels not in exact conformity with the regulations, but only if such labels contained all the mandatory information required and did not include any information considered false or misleading.

Statistics and Reports Division

This Division supervises the proper filing of the monthly reports of operations required from importers, distillers, rectifiers, and proprietors of internal revenue bonded warehouses holding warehousing and bottling basic permits; compiles from these reports statistical releases which are disseminated from time to time by the Administration; prepares special statistical information requested by members of the liquor industry and others; and assists in the preparation of data used in connection with proceedings for revocation of basic permits because of inactivity.

Enforcement Division

During the year the Enforcement Division conducted 3,058 investigations, of which 539 were made at the request of the Permit Division and involved inquiries into the personnel of permit applicants; 12 were undertaken in connection with cases involving possible annulment of permits which the Administration had reason to believe

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

might have been issued on the basis of erroneous statements in applications; and 2,507 were investigations of alleged violations of the restrictive provisions of the act. This situation shows some change from the previous year, in that fewer permit investigations were required, some annulment cases were developed, and the number of violation cases increased.

In connection with the enforcement of the advertising regulations, the Division reviewed 158,824 advertisements and took action on 2,260 which involved various types of irregularities. In the field 114 investigations were conducted on advertising matters, all other action being initiated and carried out in the Washington office.

Legal Division

The Legal Division, under the General Counsel for the Federal Alcohol Administration, acts as legal adviser to the Administrator in all matters pertaining to the Administration, in the holding of industry hearings, in the drafting of regulations pursuant to the Federal Alcohol Administration Act, in interpretations relating thereto, and in advising the industry in respect to compliance therewith; prosecutes, on behalf of the Administration, all complaints issued against permittees for violations of the conditions of their permits, and assists in the defense of cases involving litigation brought against the Administration or in its behalf; reviews all correspondence of a legal nature; and prepares all rulings and orders of the Administrator.

The Legal Division conducts all proceedings against permittees in matters relating to applications for basic permits and to violations of the act and regulations. The Administration's hearing officers hold hearings from time to time throughout the country, and make findings of fact and recommendations to the Administrator in respect to the cases under consideration. When exceptions to the findings of fact made by the hearing officers are filed by permittees, such exceptions are argued and presented to the Administrator on behalf of the Administration.

The proceedings before the Legal Division during the fiscal year 1938 are summarized as follows:

	Number
Proceedings on applications for permits:	
Notices of contemplated denial of basic permit applications	34
Orders denying applications for basic permits [1]	10
Orders granting applications for basic permits [1]	10
Orders dismissing proceedings on applications	13
Proceedings pending	9
Proceedings for suspension of permits:	
Orders instituting suspension proceedings	34
Orders suspending permit or dismissing proceedings [1]	88
Proceedings pending	15
Proceedings for revocation of permits:	
Orders instituting revocation proceedings	122
Orders dismissing proceedings on cancelation of permit or revoking permit	86
Proceedings pending	36
Proceedings for annulment of permits:	
Orders instituting annulment proceedings	3
Proceedings pending	3
Offers in compromise:	
Offers received	1,508
Offers approved by the Attorney General [2]	1,211
Offers pending approval of the Attorney General	297
Cases pending before Federal courts:	
Cases in United States district courts	4
Cases in United States Supreme Court	1
Cases referred to the Attorney General for prosecution	7
Cases pending	7
Interlocking directorates:	
Applications received and acted upon	20

[1] Includes orders in a number of proceedings closed during the year but instituted prior thereto.

[2] Does not include 507 offers approved by the Attorney General during the year but submitted prior thereto.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The consideration of proposed changes in the Administration's regulations involved the holding, after due notice, of six public hearings, the study of the evidence received, and the preparation of the amendments.

BUREAU OF INTERNAL REVENUE [1]

General

Internal revenue collections.—Total collections of internal revenue during the fiscal years 1937 and 1938 are shown in the following summary, classified according to the administrative organization responsible for the tax. A detailed statement of collections appears in table 11, page 425 of this report.

Summary of internal revenue collections, fiscal years 1937 and 1938

[On basis of reports of collections, see p. 352]

General source	1937	1938	Increase or decrease (−)
Income Tax Unit [1]	$2,179,877,415.93	$2,629,072,039.73	$449,194,623.80
Alcohol Tax Unit	594,245,086.27	567,978,601.53	−26,266,484.74
Miscellaneous Tax Unit	1,613,327,505.24	1,719,054,447.10	105,726,941.86
Social Security Tax Division	265,745,307.84	742,660,225.97	476,914,918.13
Total collections	4,653,195,315.28	5,658,765,314.33	1,005,569,999.05

[1] Includes collections from the repealed tax on dividends and the tax on unjust enrichment.

Refunds, drawbacks, and stamp redemptions.—During the year refunds of tax collections, together with interest, were made from the following appropriations:

Refunding internal revenue collections, 1937 and prior years	$1,985,205.00
Refunding internal revenue collections, 1938 and prior years	32,088,043.15
Refunds and payments of processing and related taxes, 1938	10,200,359.64
Total, interest included	44,273,607.79

The following is a summary of the refunds, showing the number of schedules and claims, the amount of refunds and repayments allowed, and the total amount refunded, including interest, on each class of tax during the fiscal year 1938, with a comparison of the totals for the fiscal year 1937:

[1] More detailed information concerning the activities of the Bureau of Internal Revenue will be found in the annual report of the Commissioner of Internal Revenue.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Number of schedules and claims, amount of refunds and repayments, and total refunds, repayments, and interest, by class of tax, fiscal year 1938, and totals for 1937

Class of tax	Number of schedules	Number of claims	Amount of refunds and repayments	Total refunds, repayments, and interest
Bituminous coal	23	101	$2,684.99	$2,762.18
Capital stock	108	4,199	477,544.95	563,221.28
Carriers Act	291	1,247	131,797.18	131,806.92
Distilled spirits	173	5,133	209,498.86	215,884.90
Distilled spirits stamps redeemed	150	3,436	129,066.46	130,748.31
Distilled spirits drawbacks (270 certificates)	1	814	224,126.86	224,126.86
Estate	925	1,413	3,746,755.47	4,599,790.84
Gift	470	676	492,427.82	543,887.04
Income	4,937	159,233	19,111,646.88	24,329,415.27
Miscellaneous	62	416	170,911.82	192,835.04
Miscellaneous stamps redeemed	65	2,667	171,781.50	179,584.31
Narcotics	32	150	271.27	274.46
Narcotic stamps redeemed	30	60	281.44	282.98
Sales	99	1,414	1,104,391.23	1,187,022.01
Silver stamps redeemed	2	2	2,346.56	2,346.56
Social security, title VIII	462	1,623	41,046.38	43,201.54
Social security, title IX	727	5,409	401,413.62	420,877.45
Sugar	1	1	1,070.00	1,070.00
Tobacco	5	5	140.18	144.64
Tobacco stamps redeemed	25	1,663	1,297,271.27	1,297,271.27
Tobacco drawbacks	8	22	6,694.29	6,694.29
Total income and miscellaneous internal revenue	8,596	189,684	27,723,169.03	34,073,248.15
Agricultural adjustment taxes	2,722	18,968	9,806,902.84	10,200,359.64
Grand total, fiscal year 1938	11,318	208,652	37,530,071.87	[1] 44,273,607.79
Fiscal year 1937:				
Income and miscellaneous internal revenue	6,537	176,607	26,301,060.59	32,253,803.06
Agricultural adjustment taxes	2,420	39,459	6,817,458.32	6,817,458.32
Grand total, fiscal year 1937	8,957	216,066	33,118,518.91	[1] 39,071,261.38

[1] Excludes refunds from the trust fund set up for Philippine coconut oil tax collections, $205,613.63 covering 870 claims for 1937 and $484,891.65 covering 759 claims for 1938.

NOTE.—The figures in this table will not agree with those given in later sections of this report for the reason that the amounts shown in the later sections relate to claims disposed of by the units, whereas this table shows the actual payments made.

If the tax refunds made during the fiscal year 1938 on account of erroneous or illegal collections of internal revenue and agricultural adjustment taxes and payments for export drawbacks and redemption of stamps, amounting to $44,758,499.45, were deducted from the gross collections of $5,658,765,314.33, the net collection for the fiscal year 1938 would be $5,614,006,814.88. Gross collections, however, are used for comparative purposes in these reports.

Additional assessments.—The additional assessments resulting from office audits and field investigations made during the fiscal years 1937 and 1938 were as follows:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Additional assessments, fiscal years 1937 and 1938, by class of tax

Class of tax	1937	1938
Income [1]	$285,765,138.19	$262,335,901.07
Miscellaneous internal revenue:		
Estate	56,964,968.59	53,307,904.68
Gift	7,241,234.38	9,438,926.69
Tobacco	196,900.77	254,034.49
Sales	14,776,581.91	8,170,923.22
Capital stock	1,661,601.08	1,163,743.43
Liquors	8,623,742.90	5,371,753.30
Miscellaneous	19,494,654.35	18,158,429.45
Coal		31,086.37
Silver		124,950.87
Sugar		839.38
Total miscellaneous internal revenue	108,959,683.98	96,022,591.88
Social Security Act and Carriers Acts	4,723,880.36	26,344,575.02
Grand total	399,448,702.53	384,703,067.97

[1] Includes jeopardy assessments of $32,855,136.42 for 1937 and $45,867,553.42 for 1938.

Cost of administration.—The amount of $58,290,520 was appropriated for the fiscal year 1938 for salaries and expenses in connection with the assessment and collection of internal revenue taxes and the administration of the internal revenue laws. The expenditures and obligations against this appropriation were $58,204,050, leaving an unexpended balance of $86,470. The expenditures do not include amounts expended for refunding taxes illegally or erroneously collected and for redeeming stamps. The cost of collecting a total of $5,658,765,314 during the year was $1.03 per $100, compared with $1.12 per $100 for 1937.

During the year $7,578,906 was transferred from the Department of Agriculture for salaries and administrative expenses in connection with making refunds authorized by titles IV and VII of the Revenue Act of 1936. The amount expended and obligated from this fund amounted to $3,354,264, leaving an unexpended balance of $4,224,642, of which $4,200,000 is available for such salaries and expenses for 1939.

During the year $1,127,469 was transferred from the appropriation of the Social Security Board for salaries and administrative expenses in connection with the verification of social security information returns. The amount expended and obligated from this fund amounted to $1,122,410, leaving an unexpended balance of $5,059.

There was allocated during the year to the Bureau of Internal Revenue, from funds appropriated in the Emergency Relief Appropriation Act of 1937, $1,381,309 for work relief projects. Obligations incurred for these projects amounted to $1,337,819.

Income Tax Unit

The work of the Income Tax Unit relates to the administration of the internal revenue laws with reference to taxes on income, excess-profits of corporations, excess-profits on Navy contracts, unjust enrichment tax, and refunds of certain processing taxes. The Unit also is required to make field examinations, when necessary, of returns filed under title IX of the Social Security Act.

Returns.—All income tax returns except those filed on Form 1040A are audited by the Income Tax Unit. Returns filed on Form 1040A

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(returns of individuals reporting income, chiefly from salaries and wages, of less than $5,000) are audited in the collectors' offices under the supervision of the Accounts and Collections Unit.

Summary of work of the Income Tax Unit, fiscal years 1937 and 1938

Returns	Number	
	1937	1938
On hand in Washington and in the field at beginning of year [1]	350,097	536,630
Received during year:		
Reopened and amended	190,599	135,737
Original	2,410,083	2,642,108
Total	2,600,682	2,777,845
Total to be disposed of	2,950,779	3,314,475
Closed during year: [2]		
Additional assessments except jeopardy:		
Before final notice of deficiency	211,717	190,917
After final notice of deficiency: [3]		
Agreement	2,633	2,203
Default	6,978	5,834
Total	221,328	198,954
Jeopardy assessments (subject to appeal)	1,422	1,911
Certificates of overassessment	46,668	48,497
No change	2,137,335	2,464,762
Total closed	2,406,753	2,714,124
Not closed during year:		
On hand for audit in Washington and in the field at end of year [4]	536,630	592,758
Awaiting action of taxpayer after mailing final notice of deficiency	2,829	1,712
Involved in appeals to Board on final 90-day notice of deficiency mailed during year	4,567	5,881
Total not closed	544,026	600,351

[1] Excludes returns with respect to which final notices of deficiency (90-day letters) were mailed prior to the beginning of the year.
[2] Excludes 4,040 returns closed through decisions of Board of Tax Appeals for 1937 and 4,318 for 1938.
[3] Includes some returns with respect to which final notices of deficiency (90-day letters) were mailed prior to the beginning of the year.
[4] Excludes returns in transit.

Of the 2,718,442 returns examined and closed by the Washington and field offices during the year, including 4,318 returns closed by decision of the Board of Tax Appeals, 1,975,358 were filed by individuals and partnerships and 743,084 by corporations. In 193,120 cases, deficiencies were listed based upon agreements executed by taxpayers consenting to the immediate assessment and collection of the additional tax determined. This represented 94 percent of the cases in which deficiency taxes were proposed for assessment.

The following table shows, by tax years, the number of returns received and closed by the Washington and field offices during the fiscal years 1937 and 1938 and the number pending at the beginning and close of each year:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Number of returns received and closed during the fiscal years 1937 and 1938, by tax years

Tax year	On hand July 1, 1936	Received during 1937	Closed during 1937	On hand June 30, 1937	Received during 1938	Closed during 1938	On hand June 30, 1938
1917	80	118	96	102	109	99	112
1918	69	104	103	70	126	125	71
1919	84	133	138	79	148	137	90
1920	115	233	241	107	171	193	85
1921	105	179	170	114	147	172	89
1922	130	201	213	118	181	209	90
1923	149	323	334	138	276	303	111
1924	157	367	362	162	275	314	123
1925	204	496	488	212	354	412	154
1926	226	634	584	276	388	460	204
1927	336	773	772	337	508	592	253
1928	517	1,031	1,109	439	654	776	317
1929	1,162	1,702	2,051	803	1,060	1,247	616
1930	1,539	2,295	2,822	1,012	1,617	1,839	790
1931	2,096	2,452	3,305	1,243	1,846	2,212	877
1932	4,229	4,529	6,658	2,100	3,286	4,101	1,285
1933	14,996	11,660	21,744	4,912	5,955	8,308	2,559
1934	123,752	163,369	261,803	25,318	23,920	38,397	10,841
1935	200,151	1,213,894	1,269,586	144,459	94,716	210,667	28,508
1936		1,192,833	838,204	354,629	1,438,661	1,556,777	236,513
1937					1,199,926	891,042	308,884
1938					246	60	186
Total	350,097	2,597,326	2,410,793	536,630	2,774,570	2,718,442	592,758

Back taxes.—The additional revenue made available for collection (exclusive of jeopardy assessments) was $205,862,242.14 for 1938, compared with $242,761,873.77 for the previous year. The field forces of the Income Tax Unit secured agreements to the assessment and collection of $93,797,011.08, of which $53,877,036.42 was immediately assessed under the provisions of mimeograph 3552, while $151,985,205.72 was assessed after consideration in Washington.

The additional revenues are classified in the following table to show the amounts involved as additional tax, interest, and penalty, and the procedure involved in reaching a settlement with the taxpayers.

Additional revenue [1] made available for collection during the fiscal years 1937 and 1938, classified according to source and procedure involved

Source and procedure involved	1937		1938	
	Amount	Percent of total	Amount	Percent of total
Tax	$194,523,385.58	80.1	$170,808,187.10	83.0
Interest	40,785,041.78	16.8	31,269,736.37	15.2
Penalty	3,432,567.50	1.4	2,529,996.18	1.2
Total	238,740,994.86	98.3	204,607,919.65	99.4
Rejected claims for abatement and credit	4,020,878.91	1.7	1,254,322.49	.6
Total additional revenue	242,761,873.77	100.0	205,862,242.14	100.0
Procedure involved in settlement:				
Mimeograph 3552 [2]	57,279,977.26	24.0	53,877,036.42	26.3
Regular procedure:				
Agreements executed by taxpayer without 90-day letters	117,705,315.26	49.3	95,809,169.46	46.8
Agreements executed by taxpayer subsequent to 90-day letters	4,508,828.36	1.9	4,982,029.43	2.5
Appeals not filed within 90-day period	16,059,923.51	6.7	14,945,180.90	7.3
Assessments listed in appealed cases after trial on the merits and decision by Board of Tax Appeals, or upon stipulation before the Board of cases settled by Technical Staff and/or General Counsel	43,186,950.47	18.1	34,994,503.44	17.1
Total	238,740,994.86	100.0	204,607,919.65	100.0

[1] Exclusive of additional taxes assessed under the jeopardy provisions.

[2] The effect of Mimeograph 3552 is to shorten the interest period when the additional tax is agreed to by the taxpayer and field force. The above figures cover assessments made during periods June 1, 1936, to May 31, 1937, and June 1, 1937, to May 31, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Additional taxes were also assessed under the jeopardy provisions of the several revenue acts, as follows:

Additional taxes assessed under the jeopardy provisions of revenue acts during the fiscal years 1937 and 1938 [1]

	1937	1938
Under bankruptcy and dissolution procedure	$8,622,704.04	$16,292,236.71
Other jeopardy assessments	15,735,539.56	15,319,282.88
Total assessed	24,358,243.60	31,611,519.59
Interest	4,442,362.31	10,641,124.18
Penalties	4,054,530.51	3,614,909.65
Grand total	32,855,136.42	45,867,553.42

[1] The collectors may or may not proceed to immediate collection of these taxes since the majority of jeopardy assessments are appealed to the Board of Tax Appeals.

Claims and overassessments.—The following table shows the number of claims adjusted and certificates of overassessment issued, together with the amounts of overassessment involved, during the fiscal years 1937 and 1938:

Claims adjusted and overassessments determined during the fiscal years 1937 and 1938

	1937	1938
Claims:	*Number*	*Number*
Pending at beginning of year	26,605	24,517
Filed during year	36,742	53,050
Received from other sources	3,283	49
Total to be adjusted	66,630	77,616
Allowed in full or in part	30,545	34,123
Rejected	11,568	11,078
Total adjusted	42,113	45,201
Pending at end of year	24,517	32,415
Certificates of overassessment issued when no claims had been filed	33,706	35,934
Overassessments settled by—	*Amount*	*Amount*
Abatement	$116,024,168.48	$69,328,034.50
Credit	17,918,052.13	13,488,159.44
Refund	18,014,843.26	19,111,646.89
Total	151,957,063.87	101,927,840.82
Interest	4,305,941.00	5,217,768.39
Grand total	156,263,004.87	107,145,609.21

The amount involved in claims filed during the year 1938 was $100,546,057.18, compared with $81,264,584.17 the preceding year. Of the claims adjusted during the year, the amount rejected totaled $78,587,465.81, compared with $132,928,177.19 the preceding year.

There were also allowed 17,308 collectors' claims, final action on which resulted in 15,407 abatements or credits and 1,901 refunds. These claims were largely multiple item claims or claims for refund to numbers of taxpayers, and involved 31,632 items for abatement or credit and 126,107 items for refund.

Final notices of deficiency (90-day letters).—During the year 10,241 final notices of deficiency were mailed to taxpayers, compared with 11,989 the previous year.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Petitions were filed with the Board of Tax Appeals in 5,881 cases involving 58 percent of the returns with respect to which 90-day letters had been issued. The following table shows the number of returns by tax years involved in petitions filed with the Board of Tax Appeals during the fiscal years 1937 and 1938:

Number of petitions filed with the Board of Tax Appeals during the fiscal years 1937 and 1938, by tax years

Tax year	1937	1938	Tax year	1937	1938
1917	13	20	1929	155	129
1918	7	22	1930	170	124
1919	9	36	1931	269	156
1920	10	28	1932	584	238
1921	10	28	1933	1,315	682
1922	20	32	1934	1,465	2,165
1923	29	37	1935	228	1,571
1924	37	41	1936	5	360
1925	40	46	1937	------	5
1926	45	46			
1927	59	51	Total	4,567	5,881
1928	97	64			

Audit in Washington.—The following table presents an analysis of the returns, original and reopened, pending in the various divisions of the Washington office on June 30, 1938:

Number of original and reopened returns under consideration in Washington, June 30, 1938, by tax years

Tax year	Audit divisions						Conference division		Engineering and valuation division		Special adjustment division	Total	
	Individual returns		Corporation returns		Consolidated returns								
	Original	Reopened	Original	Reopened	Original	Reopened	Original	Reopened	Original	Reopened	Reopened	Original	Reopened
1917	------	19	------	13	------	1	------	1	------	------	35	------	69
1918	------	27	------	7	------	2	------	1	------	------	24	------	61
1919	------	31	------	10	------	6	------	2	------	------	24	------	73
1920	------	19	------	6	------	4	------	3	------	------	30	------	62
1921	------	17	------	9	------	6	------	3	------	------	31	------	66
1922	------	12	------	9	------	3	------	4	------	------	30	------	58
1923	------	17	------	12	------	6	------	3	------	------	36	------	74
1924	------	20	------	11	------	7	1	4	------	2	37	1	81
1925	------	25	------	13	1	9	2	5	------	4	51	3	107
1926	------	27	------	17	4	8	4	6	------	9	75	8	142
1927	------	27	------	21	3	11	2	7	4	9	98	9	173
1928	------	32	------	31	8	9	1	11	8	9	126	17	218
1929	1	65	------	59	15	8	8	7	22	14	227	46	380
1930	3	83	3	86	22	9	10	22	33	11	259	71	470
1931	5	94	6	95	21	12	23	29	42	14	245	97	489
1932	24	185	19	109	30	11	54	7	90	30	298	217	640
1933	95	386	71	232	46	23	130	52	108	77	391	450	1,161
1934	695	1,128	1,061	553	13	9	797	133	939	158	535	3,505	2,516
1935	5,075	778	3,028	318	3	4	969	41	1,595	32	668	10,670	1,841
1936	10,461	832	4,922	235	3	1	355	7	1,961	6	579	17,702	1,660
1937	668	18	529	25	------	------	6	2	27	------	46	1,230	91
1938	9	------	10	------	------	------	------	------	1	------	------	20	------
Total	17,036	3,842	9,649	1,871	169	149	2,362	350	4,830	375	3,845	34,046	10,432

Audit in the field.—During the fiscal year, 750,714 returns were sent to the field divisions which, with the 493,146 on hand at the beginning

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

of the year, made a total of 1,243,860. Of this number 695,580 were disposed of, leaving a balance of 548,280 returns pending June 30, 1938. Of the returns disposed of 429,601, or 62 percent, were investigated, 233,975 were returned to Washington without examination, and 32,004 were transferred to other divisions or to collectors' offices for investigation.

Changes in tax liability were recommended by the field forces in 258,998, or 60 percent, of the returns audited. In 229,729, or 89 percent, of the changed returns, taxpayers reached agreements with the field agents, consenting to the immediate assessment and collection of deficiencies amounting to $93,797,011.08 and the allowance of overassessments amounting to $16,053,703.57.

Total deficiencies recommended by the field forces amounted to $282,322,939.61, and overassessments recommended amounted to $23,520,556.40, leaving net deficiencies of $258,802,383.21.

Changes in organization and procedure.—In order that the field force might commence the examination of the larger and more important income tax returns at an early date following filing, agents in charge were directed to requisition those returns which they deemed of sufficient consequence to justify immediate attention. A total of 17,591 such returns was requisitioned and facilities were provided in the collectors' offices and in the Bureau to expedite the movement of those returns to the field.

To accelerate the examination and closing of income tax returns in the field, instructions were issued on April 15, 1938, to establish in each internal revenue agent's division an office audit section to which were to be assigned returns susceptible to closing upon the basis of an interview in the field office or by correspondence with the taxpayer.

Instructions were released requiring that 30-day letters advising taxpayers of proposed changes in tax liability be sent by registered mail, and that return receipts be demanded in each case. This rule was established in association with the extension of authority to agents in charge to release statutory notices of deficiency under certain conditions.

All internal revenue agents in charge, operating under standard procedure as distinguished from trial procedure, were authorized to issue 90-day letters where after protest the deficiency determined is $300 or less, and where taxpayers, regardless of the amounts of the deficiency proposed in preliminary letters, fail to respond or merely acknowledge receipt of the letters without protesting the determinations.

A new division was established in the Income Tax Unit on June 1, 1938, to administer, beginning July 1, 1938, those claims for refund of processing taxes and related floor stock tax claims requiring field investigation, previously administered by the Processing Tax Division of the Miscellaneous Tax Unit. The new division is also responsible for the disposition of all unjust enrichment tax returns. Arrangements have been made to appoint a substantial number of general deputy collectors for assignment in thirteen regional districts to expedite this work.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Miscellaneous Tax Unit

The work of the Miscellaneous Tax Unit relates to the administration of all internal revenue taxes except the income and excess-profits taxes, the taxes applicable to alcoholic beverages, and those imposed under the Social Security Act and under the Carriers Taxing Act of 1937. The taxes under title VIII of the Social Security Act and those under the Carriers Taxing Act of 1937, administered in 1937 by the Miscellaneous Tax Unit and subsequently by the Social Security Tax Unit, were consolidated on April 1, 1938, with the Accounts and Collections Unit.

The special field force, under the supervision of the Miscellaneous Tax Unit, continued to produce excellent results in connection with investigations of the manufacturers' excise and other miscellaneous taxes.

The collections of miscellaneous taxes for the fiscal year 1938 amounted to $1,719,054,447, an increase of $105,726,942 over the previous year's collections (exclusive of collections under title VIII of the Social Security Act and under the Carriers Taxing Act of 1937). More detailed statements concerning the various miscellaneous taxes will be found under the titles of the various divisions of the Miscellaneous Tax Unit.

Estate Tax Division.—Collections of estate tax for the year 1938 amounted to $382,175,326, exceeding collections for 1937 by $100,539,343. This increase in collections reflected the higher rates of tax and the lowered exemption provided in the Revenue Act of 1935, as this was the first full year in which returns were filed under that act. The collections, however, were adversely affected by the optional valuation clause contained in the Revenue Act of 1935 which permits the assets of an estate to be valued either as of the date of death or as of a date one year subsequent to the date of death. The election to have the assets of an estate valued on the lower basis was taken in 2,411 returns and operated to reduce the collections of estate tax by approximately $27,000,000. Collections of gift tax amounted to $34,698,739, an increase of $10,786,956 over the previous year. The collection of approximately $30,000,000 in estate tax and $5,500,000 in gift tax was withheld pending the adjudication of appeals filed with the United States Board of Tax Appeals.

The assessments of deficiencies in estate tax for the year amounted to $47,222,255, and the assessments of deficiencies in gift tax amounted to $7,773,128. The number of returns of estate tax increased from 15,244 in 1937 to 17,794 in 1938, while the number of returns of gift tax decreased from 17,046 in 1937 to 16,601 in 1938.

The administrative work in connection with estate tax and gift tax returns is summarized in the following table:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Number of estate tax and gift tax returns investigated and audited during the fiscal years 1937 and 1938

	Estate tax		Gift tax	
	1937	1938	1937	1938
Returns in field:				
On hand at beginning of year	4,454	6,478	272	945
Received for investigation	13,600	16,203	2,664	1,532
Total to be disposed of	18,054	22,681	2,936	2,477
Major reports submitted by field force	11,576	14,955	1,991	2,179
On hand at end of year	6,478	7,726	945	298
Returns in Bureau:				
On hand at beginning of year	9,290	11,309	12,732	9,146
Received	15,244	17,794	17,046	16,601
Reopened	309	293	862	93
Total to be diposed of	24,843	29,396	30,640	25,840
Disposed of	13,534	16,518	21,494	20,746
On hand at end of year	11,309	[1] 12,878	9,146	[1] 5,094
Protest letters of taxpayers as a result of tax determined by audit:				
On hand at beginning of year	421	654	149	274
Received	2,443	2,454	1,093	1,353
Total to be disposed of	2,864	3,108	1,242	1,627
Disposed of	2,210	2,738	968	1,245
On hand at end of year	654	370	274	382

[1] Included in the returns on hand at the end of the year are 620 estate tax returns and 387 gift tax returns pending before the Board of Tax Appeals.

The refunds of estate tax recommended for payment during the year, including interest, amounted to $4,591,074, which included $975,916 of judgment claims. The refunds of gift tax recommended for payment, including interest, amounted to $544,248.

The table which follows presents a summary of the action taken in connection with estate and gift tax claims received and disposed of during the year:

Estate tax and gift tax claims on hand, received, and disposed of during the fiscal year 1938

	Estate tax claims				Gift tax claims			
	Refund		Abatement		Refund		Abatement	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Claims filed:								
On hand July 1, 1937	264	$3,367,473.67	7	$15,826.94	139	$6,421,766.70		
Received	786	5,922,656.32	288	2,962,410.60	589	1,008,179.57	55	$154,617.47
Reopened	27	307,959.49			21	72,603.79		
Total to be disposed of	1,077	9,598,089.48	295	2,978,237.54	749	7,502,550.06	55	154,617.47
Allowed	575	1,882,088.11	284	2,966,466.48	391	332,856.57	54	134,130.48
Rejected	238	3,802,378.83	4	347.48	162	1,436,974.46	1	20,486.99
Total disposed of	813	5,684,466.94	288	2,966,813.96	553	1,769,831.03	55	154,617.47
On hand June 30, 1938	264	3,913,622.54	7	11,423.58	196	5,732,719.03		
No claims filed, overassessments allowed	835	1,858,240.06	293	6,542,566.01	285	159,932.24	43	100,942.46
Interest allowed		850,745.82				51,459.22		
Total allowed, including interest	1,410	4,591,073.99	577	9,509,032.49	676	544,248.03	97	235,072.94

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Tobacco Division.—Collections of tobacco taxes for the year amounted to $568,181,968, which is the largest annual collection from this source since these taxes were first imposed. Of this amount, $493,432,960 was collected from the taxes on small cigarettes.

A detailed comparison of the tobacco taxes collected during the fiscal years 1937 and 1938 is shown in table 11, page 425 of this report.

Bituminous Coal and Silver Tax Division.—The Bituminous Coal and Silver Tax Division is concerned with the administration of the taxes imposed under the Bituminous Coal Act of 1937 and the Silver Purchase Act of 1934.

Collections of the tax imposed under the Bituminous Coal Act amounted to $3,211,601 for the fiscal year 1938, and the returns filed by producers in accordance with the provisions of the act totaled 48,765.

The following table summarizes the action taken in connection with coal tax claims received and disposed of during the year:

Coal tax claims for refund and abatement received and disposed of during the fiscal year 1938

Claims	Refund		Abatement		Uncollectible		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Received	112	$2,991.35	74	$5,345.79	8	$131.88	194	$8,469.02
Allowed	101	2,684.99	30	874.56	8	131.88	139	3,691.43
Rejected	4	143.78	39	2,987.71			43	3,131.49
Total disposed of	105	2,828.77	69	3,862.27	8	131.88	182	6,822.92
On hand June 30, 1938	7	162.58	5	1,483.52			12	1,646.10

Tax collections under the Silver Purchase Act of 1934 amounted to $142,107 for the year as compared with $633,712 for the previous year.

Sales Tax Division.—The collections from taxes administered by the Sales Tax Division amounted to $560,727,010, a decrease of $56,665,626 as compared with collections for the preceding year. The decrease in collections is reflected principally in the manufacturers' excise taxes and the documentary stamp taxes.

A summary of these collections for 1937 and 1938 follows. A detailed comparison for these years is shown in table 11, page 425.

	1937	1938	Increase or decrease (−)
Stamp taxes	$69,285,623.73	$46,090,883.29	−$23,194,740.44
Manufacturers' excise taxes (title IV, Revenue Act of 1932, as amended)	413,769,897.34	378,210,451.88	−35,559,445.46
Electrical energy	35,974,552.33	38,455,401.97	2,480,849.64
Pistols and revolvers	109,180.05	87,662.48	−21,517.57
Total manufacturers' excise taxes	449,853,629.72	416,753,516.33	−33,100,113.39
Miscellaneous taxes	97,438,567.27	97,420,813.67	−17,753.60
Repealed taxes	814,814.92	461,796.24	−353,018.68
Total	617,392,635.64	560,727,009.53	−56,665,626.11

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The claims for refund and abatement of taxes and for the redemption of stamps, received and disposed of in the Sales Tax Division during 1937 and 1938, are shown in the following table:

Claims for refund and abatement received and disposed of during the fiscal years 1937 and 1938

Claims	1937	1938
	Number	*Number*
On hand at beginning of year	7,019	5,251
Received or reopened	13,919	11,033
Total to be disposed of	20,938	16,284
Allowed	12,422	11,667
Rejected	3,265	2,836
Total disposed of	15,687	14,503
On hand at end of year	5,251	1,781
	Amount	*Amount*
Allowed	$11,922,348.63	$7,964,937.36

During the year 11,038 field reports and 549,719 sales tax returns were examined in the Bureau.

The Sales Tax Division completes assessments, schedules claims and overassessments, and passes on offers in compromise not only for this Division but also for the Estate, Tobacco, and Capital Stock Tax Divisions. During the year $1,130,498,554, representing 1,078,104 items, was approved by the Commissioner on the 2,832 miscellaneous assessment lists, which included original and additional assessments of all miscellaneous internal revenue taxes.

The number of offers in compromise submitted in settlement of liabilities incurred in connection with sales, tobacco, estate, gift, narcotics, capital stock, and miscellaneous stamp and special taxes, and the aggregate amounts thereof, received and disposed of, are shown in the following table:

Offers in compromise received and disposed of during the fiscal years 1937 and 1938

Offers in compromise	1937		1938	
	Number	Amount	Number	Amount
On hand at beginning of year	3,973	$476,682.61	1,572	$383,829.76
Received during year	10,461	568,744.35	7,011	3,866,265.88
Total to be disposed of	14,434	1,045,426.96	8,583	4,250,095.64
Accepted	12,076	265,335.44	7,435	405,937.70
Rejected	737	119,058.61	489	296,136.39
Withdrawn	49	277,203.15	79	100,697.05
Total disposed of	12,862	661,597.20	8,003	802,771.14
On hand at end of year	1,572	383,829.76	580	3,447,324.50

Capital Stock Tax Division.—The collections of capital stock tax during the year amounted to $139,348,567, which represents the largest amount ever collected from this source, exceeding the collections for 1937 by $1,849,321. Under the provisions of the Revenue

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Act of 1935, as amended by the Revenue Act of 1936, corporations were required to show an adjusted declared value on their 1937 capital stock tax returns based on the original declared value reported on the return for the previous year. The adjustments provided by the act reflected only those transactions during the corporations' income-tax taxable years ended on or prior to June 30, 1937. The fact that the original declarations reported on the 1936 capital stock tax returns were comparatively high, together with substantial earnings and other additional adjustments reported by numerous corporations, accounts in part for the increase in capital stock tax collections during the year. Returns were received as follows: 419,989 taxable and 117,574 nontaxable domestic corporation returns, and 459 taxable and 255 nontaxable foreign corporation returns, a total of 538,277. Of the total number of returns received 33,349 were filed by new corporations incorporated subsequent to June 30, 1936, and 40,197 were delinquent returns covering the years 1933–36, inclusive. There were 11,872 affiliated groups of corporations which filed 49,801 returns. Twelve of the largest of these groups paid in excess of $15,000,000 during the fiscal year.

The claims for refund and abatement of capital stock taxes, penalties, and interest, received and adjusted in the Capital Stock Tax Division, are shown in the following table:

Claims for refund and abatement received and disposed of during the fiscal years 1937 and 1938

Claims	1937	1938
	Number	*Number*
On hand at beginning of year	960	632
Received or reopened	8,219	75,791
Total to be disposed of	9,179	76,423
Allowed	7,096	6,410
Rejected	1,451	68,481
Total disposed of	8,547	74,891
On hand at end of year	632	1,532
	Amount	*Amount*
Allowed	$567,434.99	$689,946.69

Processing Tax Division.—The Processing Tax Division is concerned principally with the adjustment of claims for refund or payment authorized under sections 601 and 602 of title IV and those claims under title VII of the Revenue Act of 1936 not requiring field investigations by officers under internal revenue agents. Effective July 1, 1938, the administrative functions relating to the claims under title VII were transferred to a new division established in the Income Tax Unit.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The following table shows the claims on hand at the beginning of the year, those received and disposed of, and those on hand at the close of the year:

Claims for refund received and disposed of during the fiscal year 1938

Claims	On hand July 1, 1937		Received		Reopened	
	Number	Amount	Number	Amount	Number	Amount
Revenue Act of 1936:						
Sec. 601	304	$214,601.88	307	$186,773.85	443	$140,049.43
Sec. 602	18,248	29,992,735.40	2,513	4,591,913.61	1,255	1,031,838.23
Title VII	8,721	42,841,012.46	18,963	500,597,308.82	57	8,506.10
Sugar Act of 1937			295	316,570.02		
Cotton Ginning Act	3	709.14	44	38,611.16	1	151.77
Tobacco Act	18	8,157.99	1,558	122,221.76	2	431.16
Other	3,496	57,678,681.86	14	333,170.69	1	10.99
Total	30,790	130,735,898.73	23,694	506,186,669.91	1,759	1,180,987.68

Claims	Allowed		Rejected		On hand June 30, 1938	
	Number	Amount	Number	Amount	Number	Amount
Revenue Act of 1936:						
Sec. 601	577	$245,899.30	476	$280,145.85	1	$15,380.01
Sec. 602	7,467	8,608,700.88	12,907	14,935,317.23	1,642	12,072,469.13
Title VII	9,561	1,491,702.15	4,774	11,364,030.99	13,406	530,591,094.24
Sugar Act of 1937	1	1,070.00			294	315,500.02
Cotton Ginning Act	5	591.44	33	11,482.05	10	27,398.58
Tobacco Act	15	921.34	834	67,433.25	729	62,456.32
Other			3,511	58,011,863.54		
Total	17,626	10,348,885.11	22,535	84,670,272.91	16,082	543,084,298.30

The Processing Tax Division is also responsible for the administration of the tax imposed on the manufacture of sugar under the provisions of title IV of the Sugar Act of 1937. This tax became effective September 1, 1937, and from that date to June 30, 1938, 1,283 monthly returns were filed by manufacturers, and the tax collected amounted to $30,569,130.

Alcohol Tax Unit

Collections of the liquor taxes amounted to $567,978,601 in 1938, compared with $594,245,086 in the previous year, a decrease of $26,266,485. Details of these collections will be found in the table on page 425.

On June 30, 1938, the following number of legitimate producers and distributors of alcohol and alcoholic beverages and users of tax-free alcohol were under the supervision of the Alcohol Tax Unit:

	Number
Distilleries:	
Alcohol	39
Brandy	142
All other	143
Bonded warehouses:	
Alcohol	62
Internal Revenue	276
Wineries	1,112
Bonded wine storerooms	88
Breweries	658
Rectifying plants	287
Wholesale liquor dealers	5,618
Wholesale malt liquor dealers	11,453
Denaturing plants	38
Bonded dealers in specially denatured alcohol	57
Bonded manufacturers using specially denatured alcohol	4,244
Hospitals, laboratories, and educational institutions using tax-free alcohol	6,281

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Enforcement Division.—The Enforcement Division is responsible for the investigation, detection, and prevention of willful and fraudulent violations of the internal revenue laws relating to distilled spirits, wines, and fermented malt liquors.

During the year, 11,407 stills were seized, having an aggregate mash capacity of 1,917,785 gallons, and in connection therewith 7,553,848 gallons of mash were seized and destroyed. The investigators also seized 344,668 gallons of spirits and 4,225 automobiles and trucks. The total appraised value of the property seized amounted to $2,599,999. Arrests were made of 25,867 persons for Federal liquor law violations. Compared with the previous fiscal year, still seizures declined 29 percent, mash seizures declined 39 percent, and arrests declined 12 percent, which reflects the effectiveness of the Unit's enforcement program. This is the first year since the enactment of the twenty-first amendment and the repeal of the National Prohibition Act that there has been a substantial decline in illicit distillery seizures. There were 520 major conspiracy cases investigated, and in 402 conspiracy cases terminated by court action, 2,040 defendants were convicted, involving some of the most notorious racketeers engaged in the illicit liquor traffic.

Field Inspection Division.—This Division examines applications for the establishment of industrial alcohol plants, alcohol bonded warehouse and denaturing plants, rectifying plants, distilleries, and internal revenue bonded warehouses; reviews qualifying documents submitted in connection with the establishment of breweries and wineries, and inspects producing and processing plants throughout the United States to determine whether Bureau policy and the technical requirements of governing law and regulations are being complied with.

The Division is responsible for the planning, coordination, and supervision of the inspection service of the 15 supervisory districts, which are under the jurisdiction of the district supervisors; provides for the general instruction of the inspectors and storekeeper-gaugers; and assigns, directs, and supervises a group of technically trained field inspectors operating directly from the headquarters office.

There were 17,068 examinations of plats, plans, and other documents, and 64,884 inspections of plants and permittees made during the year.

Laboratory Division.—The Laboratory Division comprises a central laboratory in Washington, D. C., and 15 branch laboratories located throughout the country which perform the chemical work for the Bureau of Internal Revenue, Bureau of Narcotics, and the Federal Alcohol Administration. During the year the Division also rendered substantial aid to the Secret Service, Procurement Division, and the Bureau of Customs. There were 67,743 samples examined in the branch laboratories, compared with 75,005 for the previous year. The Washington laboratory examined 8,526 samples, compared with 8,880 during the previous year.

Audit Division.—This Division conducts the plant operation, tax accounting, assessment, claim, and compromise work of the Alcohol Tax Unit.

During the year, 10,372 reports of violations of the internal revenue laws pertaining to alcoholic liquors by illicit operators were received from the field offices and audited, and tax liabilities disclosed thereby were assessed, including ad valorem penalties. There were also cer-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

tified to the Commissioner for assessment 15,872 items totaling $5,371,653, listed in the Bureau, and 149,695 items aggregating $60,126,182, listed by collectors.

On July 1, 1937, there were on hand 728 offers in compromise aggregating $43,920, and during the year 18,830 offers in compromise amounting to $1,412,518 were received. Of the 19,558 offers in compromise to be disposed of, 17,441 aggregating $879,901, were accepted, 995 totaling $428,468 were rejected, 373 were forwarded to the Department of Justice, and 243 were returned to the field offices, leaving 506 on hand at the end of the year.

Procedure Division.—Regulations relating to the bottling in bond of distilled spirits were revised during the year and the stamp requirements considerably simplified. Bottled-in-bond stamps have heretofore been overprinted at the Bureau of Engraving and Printing with the name of the producer of the spirits and the age and bottling season. This overprint will hereafter be done locally, and the stamps may now be purchased from the collector without any delay.

Alcohol Tax Section of the Office of the General Counsel.—This section handles the legal work arising in connection with the administration and enforcement of the internal revenue liquor laws.

During the year, there were prepared 7,723 memoranda, 287 briefs, 5,370 opinions, 57 parole cases, 318 libels, and 18 indictments. Review work included 7,447 case reports, 130 claims of over $5,000 each, and 19,262 compromise cases. In addition, 111 revocation cases were handled, and 655 petitions for remission or mitigation of forfeitures were examined and finally passed upon.

Accounts and Collections Unit

The Accounts and Collections Unit is the central administrative organization for the 64 internal revenue collection districts and makes the administrative audit of all expenditures for the Internal Revenue Service. On April 1, 1938, the Social Security Tax Unit which administered the taxes under the Social Security Act and under the Carriers Taxing Act of 1937 from July 1, 1937, to March 31, 1938, was consolidated with this Unit.

There were 25,584,889 tax returns filed in collectors' offices during the fiscal year, an increase of 10,326,902 over the previous year. Of the total returns filed, 7,616,196 in 1938 were income tax returns, an increase of 880,742 during the year. The remainder of the increase was in the number of returns filed under titles VIII and IX of the Social Security Act.

During the fiscal year 55,882 income tax, 14,056 miscellaneous tax, and 320,467 social security tax returns were investigated by field deputy collectors, and 7,683,746 information returns were verified. At the close of business June 30, 1938, there were outstanding in the 64 collection districts 7,416 income tax returns and 6,658,256 information returns were on hand.

Deputy collectors of internal revenue served 179,090 warrants for distraint, which resulted in the collection of $40,393,267. An average of 2,688 deputy collectors made 2,745,923 revenue-producing investigations, including the serving of warrants for distraint, compared with 805,089 investigations made by an average of 1,967 deputy collectors in the preceding year. The total amount collected and reported for

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

assessment by deputy collectors was $92,709,897, compared with $77,660,684 in the previous year. The average number of investigations made per deputy and the average amount of tax collected and reported for assessment were 1,022 and $34,490, respectively, compared with 409 and $39,482, respectively, in 1937. There were 123,780 warrants for distraint in the custody of the collectors' field forces on June 30, 1938, compared with 53,270 on June 30, 1937.

A total of 12,064,313,036 revenue stamps, valued at $1,113,890,080.62 was issued to collectors of internal revenue and the Postmaster General during the year, compared with 12,345,394,029 stamps, valued at $1,180,122,453.59, issued during 1937. Revenue stamps returned by collectors of internal revenue and by the Postmaster General, and credited to their accounts, amounted to $30,692,051.01. There were 755 applications allowed for restamping packages from which the original stamps had been lost, mutilated, or destroyed, compared with 301 applications in the preceding year.

Taxes under title VIII of the Social Security Act.—Collections for 1938 under title VIII of the Social Security Act amounted to $502,918,025, an increase of $295,578,934 over the previous year. Collections include both the employees' tax and the employers' tax, each of which was imposed at the rate of one percent of taxable wages paid.

Under Regulations 91, relating to the taxes imposed by title VIII, each employer was required to make a tax return on Form SS–1 for each month of the calendar year 1937. Those regulations, as amended by Treasury Decision 4769, approved October 15, 1937, provided for two six-month information returns from the employer for the calendar year on Forms SS–2 and SS–2a. A separate Form SS–2a for each employee was required, showing the amount of taxable wages paid to him. The employer executed Form SS–2, a summary to accompany the reports on Form SS–2a. Each information return was checked in the offices of collectors against copies of the six monthly tax returns of the employer for the same period. Upon completion of the audit, the information returns were forwarded to the Social Security Board in order that the wages as reported for each employee might be credited to his account, for use by the Board in computing old-age benefits to which the employee or his estate will later become entitled under title II of the Social Security Act.

Treasury Decision 4778, approved November 23, 1937, further amended Regulations 91 so as to require a combined tax and information return on Form SS–1a, to be made by employers at quarterly intervals, payment of the taxes under title VIII falling due at the same time. The first quarterly return period began on January 1, 1938. The combined return has simplified the reporting from the standpoint of the employer, and has resulted in a substantial reduction in the administrative expense entailed in handling and auditing the returns in collectors' offices. Furthermore, the period from the receipt of the returns until the information portion thereof is forwarded to the Social Security Board has been materially reduced.

There were 13,604,481 monthly returns on Form SS–1 and 1,728,215 quarterly returns on Form SS–1a filed during the fiscal year, compared with 5,970,261 monthly returns on Form SS–1 filed during the preceding year.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Number of title VIII information returns received and closed in the offices of collectors, and the number pending at the beginning and close of the year

Returns	On hand July 1, 1937	Received during year	Closed and forwarded to Social Security Board during year	On hand June 30, 1938
Form SS-2, 6-month period ended June 30, 1937	----------	1,768,569	1,767,030	1,539
Form SS-2, 6-month period ended Dec. 31, 1937	----------	1,778,006	1,773,734	4,272
Form SS-1a, 3 month period ended Mar. 31, 1938 [1]	----------	1,728,215	1,697,006	31,209
Form SS-3 [2]	1,375	116,821	117,662	534

[1] Schedule A of Form SS-1a.
[2] Employer's information return for an employee who attains age 65 or dies.

In addition to the above, 36,997,628 Forms SS-2a for the 6-month period ended June 30, 1937, and 38,101,707 Forms SS-2a for the 6-month period ended Dec. 31, 1937, were forwarded to the Social Security Board.

Monthly tax returns on Form SS-1 filed prior to November 1, 1937, had been transmitted by collectors to the Bureau for audit. As of November 1, 1937, the audit of these returns was transferred from the Bureau in Washington to collectors' offices. Returns on Forms SS-2 and SS-2a and on Form 22-1a have from their inception been audited in collectors' offices.

The following table sets forth information relative to claims adjusted under title VIII of the Social Security Act:

Claims under title VIII of the Social Security Act received and adjusted, fiscal year 1938

Claims:	*Number*
Filed during year	21,811
Received from other sources	33
Total to be adjusted	21,844
Allowed in full or in part	8,772
Rejected	1,206
Canceled	53
Total adjusted	10,031
Pending at end of year	11,813
Overassessments settled by:	*Amount*
Abatement	$157,121.48
Refund	44,723.65
Total	201,845.13
Interest	2,381.32
Grand total	204,226.45

There were also allowed 98 collectors' claims recommending refunds of $1,828.98, plus interest of $76.19. Of the claims adjusted during the year, the amount rejected totaled $84,202.61.

Tax under title IX of the Social Security Act.—The tax under title IX of the Social Security Act is imposed on employers of eight or more, at the rate of 1 percent of taxable wages payable with respect to employment for 1936 and 2 percent for 1937. Collections for 1938 amounted to $90,266,534, an increase of $32,147,220 over the previous year. There were 339,651 returns filed during the fiscal year, as compared with 264,983 filed during the preceding fiscal year.

The return for each calendar year is due on January 31, following the close of the year, unless an extension is granted under the provisions of section 905 (b) of the act. While a general extension to April 1, 1937, was granted to all taxpayers for 1936, extensions for 1937 were granted only upon application by the employer.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Against the tax imposed under title IX a taxpayer is entitled to a credit (not exceeding 90 percent of the tax) for contributions paid to unemployment funds under a State law approved and certified by the Social Security Board to the Secretary of the Treasury, if such contributions are paid before the date the Federal return is required to be filed. An exception to the foregoing was provided by section 810 of the Revenue Act of 1938, under which credit against the tax for 1936 is allowable for contributions for that year paid on or before July 26, 1938. In view of this provision of the Revenue Act of 1938 it was necessary to reaudit the 1936 returns of taxpayers who had paid contributions to the States subsequent to March 31, 1937, and as a result 3,200 certificates of overassessment amounting to $360,720 were issued and 7,800 returns for 1936 were accepted as filed that otherwise would have resulted in tax due the Federal Government in the amount of $1,066,513.

For the year 1936 there were 35 States and the District of Columbia having unemployment compensation laws certified by the Board, and for the year 1937 there were 48 States, the District of Columbia, and the Territories of Alaska and Hawaii with laws so certified.

The number of title IX returns (annual) received and closed by the Bureau during the fiscal year 1938 and the number pending at the beginning and close of the year, by tax years, are shown in the following table:

Tax year	On hand July 1, 1937	Received during year	Closed during year	On hand June 30, 1938
1936	192,557	99,345	268,276	23,626
1937		278,472	1,991	276,481
Total	192,557	377,817	270,267	300,107

The Bureau submitted 1,572 returns to the field for investigation during the year. Independent of these cases, the field force submitted reports, prepared in connection with income tax investigations, in 1,874 cases, of which 1,368 were closed in the Bureau.

The following table sets forth information relative to claims adjusted and certificates of overassessment issued under title IX of the Social Security Act:

Claims under title IX of the Social Security Act received and adjusted and certificates of overassessment issued, fiscal year 1938

	Number
Claims:	
Pending at beginning of year	2,793
Filed during year	8,479
Received from other sources	5
Total to be adjusted	11,277
Allowed in full or in part	3,775
Rejected	1,217
Canceled	51
Total adjusted	5,043
Pending at end of year	6,234
Certificates of overassessment issued when no claims were filed	6,287
	Amount
Overassessments settled by:	
Abatement	$315,845.19
Credit	1,459.33
Refund	433,578.64
Total	750,883.16
Interest	21,238.96
Grand total	772,122.12

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

There were also allowed 511 collectors' claims recommending refunds of $23,571.67, plus interest of $1,008.79. Of the claims adjusted during the year, the amount rejected totaled $221,840.24.

Taxes under the Carriers Taxing Act of 1937.—Collections of employers' tax and employees' tax under the Carriers Taxing Act of 1937, approved June 29, 1937, amounted to $149,434,336. Each tax was imposed at the rate of 2¾ percent of the taxable compensation. Collections of employee representatives' tax, which was imposed at the rate of 5½ percent of the taxable compensation, amounted to $41,330. There were 20,558 returns on Form CT–1 filed by employers, and 871 returns on Form CT–2 filed by employee representatives. The returns due during the year covered the following three return periods, for each of which a separate return was required: 9-month period ended September 30, 1937; 3-month period ended December 31, 1937; and 3-month period ended March 31, 1938. The following table shows the number of returns received and closed by the Bureau during the year and the number on hand on June 30, 1938:

Returns	Received during year	Closed during year	On hand June 30, 1938
Employers' returns, Form CT–1	20,018	18,943	1,075
Employee representatives' returns, Form CT–2	669	596	73
Total	20,687	19,539	1,148

The following table sets forth information relative to claims adjusted under the Carriers Taxing Act:

Claims under the Carriers Taxing Act received and adjusted, fiscal year 1938

Claims:	*Number*
Pending at beginning of year	82
Filed during year	2,221
Received from other sources	6
Total to be adjusted	2,309
Allowed in full or in part	1,516
Rejected	72
Canceled	10
Total adjusted	1,598
Pending at end of year	711
Overassessments settled by:	*Amount*
Abatement	$2,993,928.80
Credit	30,890.99
Refund	133,030.75
Total	3,157,850.54
Interest	.70
Grand total	3,157,851.24

There were also allowed four collectors' claims recommending refunds of $325.87, plus interest of $9.04. Of the claims adjusted during the year, the amount rejected totaled $178,990.33.

Technical Staff

The principal function of the Technical Staff is to settle tax disputes and thus avoid the uncertainty, expense, and delay incident to the litigation of complicated tax questions. Accordingly, the Staff considers proposals for settlement of income, estate, and gift tax liabilities as asserted in deficiency notices issued under the various revenue

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

acts. It cooperates closely with the Office of the Chief Counsel for the Bureau of Internal Revenue in the consideration and disposition of the petitions filed by taxpayers with the United States Board of Tax Appeals for the redetermination of such deficiencies. The Staff also considers certain classes of compromise cases of income tax and applications filed for extensions of time within which to pay income taxes, and reviews in behalf of the Commissioner of Internal Revenue final closing agreements executed pursuant to section 606 of the Revenue Act of 1928, as amended.

On July 1, 1937, the Staff in Washington had on hand 4,213 income, estate, and gift tax dockets pending before the United States Board of Tax Appeals. During the year it received 3,356 such dockets, and disposed of 4,717, leaving a balance of 2,852 on June 30, 1938. During the year it considered to a conclusion 3,159 Board cases, of which 1,570 cases were settled by agreement. In addition, the Los Angeles Division of the Technical Staff settled 122 docketed cases from March 1 to June 30, 1938. The deficiencies proposed in cases settled by the Staff, including the Los Angeles Division, totaled $27,677,685.59, and the recomputed deficiencies amounted to $12,368,890.84.

On July 1, 1937, the Staff had on hand 78 Board dockets involving personal holding company surtaxes and the accumulation of surplus to evade surtaxes; during the year 45 were received and 80 were disposed of, leaving 43 on hand on June 30, 1938. The Staff considered to a conclusion 68 of these special cases, 40 of which were settled by agreement involving asserted deficiencies of $5,055,177.92 and recomputed deficiencies of $1,570,140.14.

The figures for the income, estate, and gift tax dockets and for the dockets involving personal holding company surtaxes and the accumulation of surplus to evade surtaxes represent the results of consideration of Board cases by the Staff on its own responsibility and do not reflect the work of the circuit settlement groups composed of attorneys of the Office of the Chief Counsel and of members and field representatives of the Technical Staff. During the year 2,168 Board cases were settled by the joint action of these groups.

The Staff had on hand on July 1, 1937, 249 ninety-day cases; during the year 959 were received and 1,021 were disposed of, leaving 187 on hand on June 30, 1938. Of the cases disposed of, 591 were closed without the filing of appeals with the United States Board of Tax Appeals and involved proposed deficiencies of $5,965,013.06 and revised deficiencies assessed in the total amount of $3,120,797.23.

On July 1, 1937, the Staff had on hand 683 compromise cases, and during the year received 964 cases and disposed of 1,195, leaving a balance of 452 on June 30, 1938.

There were 27 extension of time cases on hand at the beginning of the year; during the year 252 were received and 257 were disposed of, leaving 22 on hand on June 30, 1938.

With respect to closing agreement cases, 27 were on hand for review July 1, 1937, 146 were received and 165 disposed of during the year, leaving a balance of 8 cases on June 30, 1938.

During the year the field representatives of the Staff at Cleveland, Dallas, and San Francisco collaborated with the attorney of the Chief Counsel's office in the settlement of cases in which deficiency notices were issued by the internal revenue agents in charge at those points. A total of 112 income, estate, and gift tax cases, both docketed and in

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

the "90-day" status, were considered, and 43 were settled involving proposed deficiencies of $92,112.62, and agreed settlement deficiencies of $53,846.78.

The program for the decentralization of the appellate procedure for the administrative settlement of disputed income, excess-profits, and estate tax cases was inaugurated on March 1, 1938, by the establishment of the Los Angeles Division of the Technical Staff. A discussion of this program will be found on page 51.

Office of the Chief Counsel

The activities of the Office of the Chief Counsel for the Bureau of Internal Revenue embrace the whole field of Federal taxation in connection with the preparation and presentation to the United States Board of Tax Appeals of defense in all appeals; the review of refunds, credits, and abatements in excess of $20,000; the deciding and advising in various administrative and internal revenue tax matters referred by the Secretary of the Treasury, the Under Secretary, or an Assistant Secretary, the General Counsel for the Department of the Treasury, the Commissioner or the assistant to the Commissioner, the heads of the administrative units of the Bureau, collectors of internal revenue, other branches of the Government, and individual correspondence; the preparation at the request of the Department of Justice or of the United States attorneys of data for use in the prosecution or defense of tax cases (civil and criminal) in suit, and otherwise complying with their requests for assistance in such cases; and the preparation, revision, and publication of regulations, Treasury decisions, mimeographs, and rulings, for the guidance of the officers and employees of the Bureau of Internal Revenue and others interested. The office is divided into six divisions, viz, Appeals, Civil, Interpretative, Penal, Review, and Legislation and Regulations.

The Chief Counsel's committee, consisting of four members, serves in an advisory capacity to the Chief Counsel, Assistant Chief Counsel, general assistants, and special assistants, who refer to the committee cases from all divisions of the office. The committee considers these cases and makes written recommendations as to their proper disposition. Since February 1938, the committee has been charged with the final review of cases involving compromises, closing agreements, and extensions of time for payment of tax, previous to their being sent to the Secretary of the Treasury for his approval. At the beginning of the year the committee had on hand 13 cases; during the year it received 722 and disposed of 695, leaving 40 cases pending at the close of the year.

The Reorganization Section is charged with the duty of protecting the interests and claims of the United States in bankruptcy and receivership proceedings, including particularly proceedings instituted under sections 77 and 77B of the Bankruptcy Act.

In the 466 corporate reorganization cases closed under sections 77 and 77B during the year, claims were filed in the amount of $9,888,402.98 and were settled for $2,455,352.48. In addition to these there were 854 cases closed in which no tax claims were filed.

In the 1,730 cases closed relating to bankruptcy and receivership, claims were filed in the amount of $5,865,693.25, and $2,490,541.36 was collected.

Appeals Division.—This Division has immediate charge for the Commissioner of all cases involving income, excess-profits, unjust

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

enrichment, estate, and gift taxes filed before the United States Board of Tax Appeals and all cases involving refunds of processing and related taxes pending before the Processing Tax Board of Review, including those appealed to the appellate courts. The Division prepares all of the pleadings in such cases and appears for and represents the Commissioner of Internal Revenue at the trial thereof.

Of the appeals taken to the United States Board of Tax Appeals and the appellate courts there were 5,043 income tax, 1 unjust enrichment tax, 410 estate tax, and 235 gift tax cases closed during the year. The methods by which such cases were closed are as follows:

Disposition of cases closed before the United States Board of Tax Appeals, fiscal year 1938

Character of closing	Number of cases	Amount in dispute	Amount allowed	Percentage of recovery
Default	221	$2,034,372	$1,903,026	93.54
Decision on merits	1,119	43,529,904	7,489,358	17.21
Agreed settlement	4,349	88,955,176	27,221,184	30.60
Total	5,689	134,519,452	36,613,568	27.21

Of the appeals taken to the Processing Tax Board of Review 6 cases, involving $57,481, were dismissed during the year.

Civil Division.—This Division, in cooperation with and at the request of the Department of Justice, assists in the handling and preparation for trial of civil internal revenue cases arising in the Federal district courts, the United States Court of Claims, and the Supreme Court of the District of Columbia, together with a limited number of cases originating in State courts. The trials of such cases and arguments upon appeals are conducted by the Department of Justice, with the assistance of this Division, pursuant to the President's Executive order of June 10, 1933.

The Division's major activities during the year are shown in the following tables:

Cases received and disposed of, fiscal year 1938 [1]

Cases	Number
Pending July 1, 1937:	
Not involving liens, in court	3,010
Not involving liens, not in court	276
Lien cases in court	810
Lien cases not in court	44
Total	4,140
Received during the year:	
Suits by taxpayers	877
For suit by the United States	212
Suits involving liens	940
Lien cases not in court	358
Total	2,387
Total to be disposed of	6,527
Closed during the year:	
Not involving liens	1,541
Lien cases	1,461
Total	3,002
Pending June 30, 1938	3,525

[1] Excludes compromise cases.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Number of civil cases pending at the beginning and end of the fiscal year 1938 [1]

Cases	Pending July 1, 1937	Pending June 30, 1938
Not involving liens:		
In district courts	2,364	1,813
In circuit courts of appeals	107	82
In Court of Claims	430	424
In Supreme Court	2	2
In State and miscellaneous courts	22	[2] 108
Pending payment of judgment claims	85	127
Not in court	276	278
Involving liens:		
In court	810	639
Not in court	44	52
Total	4,140	3,525

[1] Excludes compromise cases.
[2] Includes 80 suits instituted by taxpayers involving refund of processing tax on sales of tobacco under the Kerr-Smith Tobacco Act.

The amounts in the cases involving no liens are as follows:

Pending July 1, 1937	$353,724,310.39
Received during year	52,164,283.84
Total	405,888,594.23
Closed during year	190,068,695.05
Pending June 30, 1938	215,819,899.18

Results obtained in cases closed, fiscal year 1938

Cases	Number of cases	Amount claimed	Amount collected	Amount refunded
Not involving liens: [1]				
Suits instituted by taxpayers	1,194	$117,133,984.24		$8,496,103.56
Suits and claims by the United States	261	64,496,139.09	$6,339,900.23	
Injunctions, processing taxes	86	8,438,571.72		
Total	1,541	190,068,695.05	6,339,900.23	8,496,103.56
Involving liens:				
In court	1,111		288,714.45	
Not in court	350		346,636.26	
Total	1,461		635,350.71	

[1] Excludes compromise cases.

The number of Civil Division cases tried by the Department of Justice and the number decided by the courts during the year are shown in the following table:

Number of tax cases tried by Department of Justice and decided by the Federal courts, fiscal year 1938

Court	Cases tried	Cases decided by courts			
		For the Government	Against the Government	Partly for and partly against the Government	Total
District courts	242	227	165	11	403
Circuit courts of appeals	77	50	54	0	104
Court of Claims	82	38	16	0	54
Supreme Court	18	10	4	0	14
Total	419	325	239	11	575

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The Compromise Section is charged with the prosecution of claims filed by collectors (*a*) against the estates of deceased taxpayers; (*b*) against insolvent banks; and (*c*) in liquidation proceedings, including assignments for the benefit of creditors.

The following table shows the cases on hand at the beginning of the year, those received and disposed of, and those on hand at the close of the year:

	Number
Pending July 1, 1937	1,935
Received during year	1,569
Total	3,504
Closed or in process of closing	1,589
Pending June 30, 1938	1,915
	Amount
Tax liability involved	$21,834,571
Amount finally collected by payment or acceptance of offers	4,132,386

The number of cases pending June 30, 1938, and the tax liability involved is shown in the following table:

Number of cases pending and tax liability involved, June 30, 1938

Cases	Pending		In process of closing	
	Number	Liability	Number	Liability
Decedent estates	1,226	$20,553,842		
Insolvent banks	16	24,676		
Miscellaneous	544	2,398,897		
Cash offers in compromise	90	1,704,127	15	$380,921
Installment offers in compromise	39	2,058,868	7	2,152,079
Total	1,915	26,740,410	22	2,533,000

Interpretative Division.—The function of this Division is to consider for administrative purposes the various statutes relating to the internal revenue, and to pass upon questions of law arising thereunder. The Division also edits the material intended for publication in the Internal Revenue Bulletin and reviews various material submitted for consideration.

Penal Division.—The Penal Division considers both income tax cases and miscellaneous tax cases, prepares opinions construing criminal and percentage penalty statutes, and deals with particular cases involving criminal liability and percentage penalties for fraud (and occasionally for negligence or delinquency), including offers in compromise of such cases. Whenever requested by the Department of Justice, an attorney from this Division assists in the prosecution of criminal cases.

The following tables summarize the work of the Division during the last 2 years:

Number of cases received and disposed of, fiscal years 1937 and 1938

Cases	1937	1938
Pending at beginning of year	1,225	1,082
Received during year	914	903
Total to be disposed of	2,139	1,985
Disposed of	1,057	946
Pending at end of year	1,082	1,039

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Number of claims for reward received and disposed of, fiscal year 1938

Claims	Formal claims	Informal claims
Pending at beginning of year	269	71
Received during year	182	112
Total to be disposed of	451	183
Allowed	46	
Rejected	76	113
Total disposed of	122	113
Pending at end of year	329	70

Review Division.—This Division reviews overassessments of income, excess-profits, war-profits, estate, gift, and miscellaneous taxes proposed for allowance (also deficiencies when coupled with overassessments), where the amount of the overassessments in any case exceeds $20,000, and proposed refunds of any tax in excess of $20,000. It prepares reports to the Joint Committee on Internal Revenue Taxation required by section 710 of the Revenue Act of 1928, where the overpayments of income, excess-profits, war-profits, estate, or gift taxes exceed $75,000; and prepares public decisions where the overassessments exceed $20,000.

The work of the Division is summarized as follows:

Number of cases disposed of and amounts involved, fiscal year 1938

	Estate and other miscellaneous taxes	Income tax	Total
	Number	*Number*	*Number*
On hand at beginning of year	5	58	63
Received	37	311	348
Total to be disposed of	42	369	411
Disposed of	38	325	363
On hand at end of year	4	44	48
	Amount	*Amount*	*Amount*
Claimed by taxpayer	$2,353,466.61	$22,964,761.99	$25,318,228.60
Approved by Review Division	3,485,478.11	12,187,196.19	15,672,674.30

Legislation and Regulations Division.—This Division prepares or reviews regulations issued under the internal revenue laws, and makes reports on legislation introduced in Congress affecting the internal revenue, except as they relate to alcoholic beverage taxes. There were 55 regulations issued during the year relating to income tax, capital stock tax, excess-profits tax, estate tax, social security tax, stamp tax, admissions tax, silver tax, manufacturers' excise taxes, tobacco tax, sugar tax, tax on marihuana, taxes on narcotics, and taxes under the Carriers Taxing Act of 1937. In addition, the Division considers suggestions for amendments of, and additions to, the various internal revenue laws and prepares reports thereon for the consideration of the Commissioner and the General Counsel.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Intelligence Unit

The Intelligence Unit is principally concerned with the investigation of tax fraud cases in cooperation with internal revenue agents and deputy collectors. During the year, 794 investigations were made of alleged evasions of income tax, and of this number 196 cases, involving 309 individuals, were recommended for prosecution. On this charge there were convictions in 50 cases, involving 68 individuals, and there were acquittals in 4 cases, involving 5 individuals. Investigations of these cases resulted in recommendation for assessment of additional taxes and penalties amounting to $26,106,013.83.

In addition to collections by the Bureau of Internal Revenue of taxes, penalties, and interest, amounts are covered into the Treasury as a result of fines imposed in criminal cases. In some jurisdictions the courts have imposed an additional penalty by requiring the defendants to pay the costs of the investigations, that is, the salaries and expenses of the agents during investigations.

There were 3,988 investigations of applications of attorneys and agents to practice before the Treasury Department and 85 investigations of charges against enrolled agents and attorneys, resulting in the disbarment of 6, the reprimand of 3, and the rejection of applications of 44.

The investigations in 145 cases of charges against employees of the Bureau of Internal Revenue resulted in the separation from the service of 89 employees and the prosecution of 20. Of the latter number 18 were convicted and 2 acquitted.

There were 3,429 cases of miscellaneous character investigated, including investigations for the Bureau of Narcotics and the Customs Service and of persons under consideration for appointment to various positions in the Treasury Department.

Work relief projects

During the year the Bureau of Internal Revenue continued work on its two work relief projects financed from funds provided under the Emergency Relief Appropriation Acts. These projects are under the supervision of the Accounts and Collections Unit and the Alcohol Tax Unit. The workers were recruited and employed in accordance with the regulations of the Works Progress Administration and the United States Employment Service of the Department of Labor, and were paid the security wage rates as stipulated in the Executive Order of May 20, 1935, and its amendments.

Accounts and Collections Unit (miscellaneous tax) project.—This project comprised a survey of miscellaneous taxes conducted in the field collection service of the Bureau. The work was carried on under the direction of the collectors of Internal Revenue in 21 of the collection districts in the United States and involved an intensive canvass to effect the collection of delinquent and deficient stamp taxes and taxes on sporting goods, cosmetics, capital stock, candy, automobile parts, admissions and dues, tires and tubes, matches, radios, electric refrigerators, jewelry, and furs. The number of persons employed on this project during the year averaged approximately 766 weekly. Allocations to this project during the year amounted to $926,808, and obligations were incurred aggregating $906,602. As a result of

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

this work, $7,767,507 of miscellaneous taxes were assessed or recommended for assessment during the year, and $4,153,630 was collected.

Alcohol Tax Unit (retail liquor stores) project.—The project comprising the inspection of retail liquor dealers in various cities of the United States was continued during the fiscal year for the purpose of seeing that the retail liquor dealers comply with the requirements of the law as it relates to their business. During the year allocations to this project amounted to $454,501, and obligations were incurred totaling $431,217. As a result of these inspections, 18,586 dealers were found violating the internal revenue liquor statutes during the year, and revenues of $370,336 were collected.

LEGAL DIVISION

The General Counsel is the chief law officer of the Department and is in charge of all its legal activities. The Legal Division comprises the Office of the General Counsel and the legal staffs in all branches of the Department. During the fiscal year 1938 the Legal Division prepared 64 formal and numerous informal opinions for the guidance of administrative officers of the Department; and prepared or assisted in the preparation of more than 20 legislative proposals necessary to or desirable for efficient operation of the Department. Representatives of the Division frequently appeared before congressional committees to explain the purpose, effect, and legality of legislation affecting the Department and furnished other technical assistance to such committees. Assistance was rendered in the preparation of over 400 reports on legislation and of numerous executive orders and proclamations. The Division also undertook and completed a codification of Treasury Department regulations and other documents and filed the codification with the Administrative Committee of the Federal Register.

In connection with monetary, fiscal, and public debt matters, the Division drafted legislation, regulations, rulings, and opinions covering a broad field of subjects, and made numerous interpretations of the laws and regulations applicable to Government finance, public credit, fiscal relationships, bonds of indemnity and official bonds, insurance of valuables in shipment, issuance and subsequent transactions in public debt obligations and in obligations of Government corporations and agencies, monetary and industrial transactions in gold and silver, acquisition by the United States of monetary metals, protection of the dollar in foreign markets, transactions in gold and foreign exchange with foreign Governments and foreign central banks, and counterfeiting. Active assistance was rendered to the Department of Justice in cases in various courts involving questions of monetary policy, including 11 cases involving gold coin, gold bullion, and newly mined gold; 36 cases involving various so-called gold clause obligations; 1 case relating to the illegal possession of distinctive paper; and in a considerable number of cases involving civil and criminal penalties in connection with the enforcement of provisions of the Emergency Banking Act of 1933 relating to gold and the Gold Reserve Act of 1934, and the various proclamations, orders, and regulations issued thereunder. Under the Adjusted Compensation Payment Act the Division recommended approval for settlement of 2,442 cases. A compilation of Federal laws relating

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

to the public debt was completed and published during the year, and progress was made in the work on a compilation of Federal laws relating to money.

With respect to the operations of the Coast Guard, the Division reviewed the proceedings and prepared the action of the reviewing authority and pertinent correspondence in 433 court-martial cases, 198 boards of investigation cases, 106 retiring-board cases, 13 life-saving medal cases, and one distinguished flying cross case; and prepared the papers and all correspondence in connection with approximately 110 formal contracts and 121 leases and renewals of leases.

A number of unusual legal questions arising in connection with the enforcement of the Marihuana Tax Act of 1937, which became effective October 1, 1937, and of the Federal narcotic laws were determined during the year; new and amendatory legislation relative to the traffic in narcotics was drafted for submission to Congress; regulations under the Marihuana Tax Act of 1937 and a complete revision of narcotic regulations were prepared; and assistance was extended to several of the States and to the District of Columbia in connection with the adoption and enforcement of the Uniform State Narcotic Law.

The Division drafted a bill embodying substantial amendments to administrative provisions of the customs laws. After enactment of the bill, with some changes, it drafted revisions of the customs regulations to carry out the new law. The export and currency practices of several foreign countries were investigated to determine whether any bases existed for applying countervailing duties to products of those countries. All outstanding findings of dumping were reviewed and a number of them were revoked, it being found that their continuance was not justified by present circumstances.

The Division did the legal work necessary to the acquisition of 303 sites for construction projects; examined approximately 2,920 contracts for the construction of public buildings and the purchase of supplies and equipment; reviewed and approved approximately 769 leases for office space for Government activities; and prepared contracts for the sale of 33 surplus real properties. Leases were prepared for rental of 21 surplus properties.

With relation to the activities of the Public Health Service, the Division gave advice in connection with the administration of the National Cancer Institute Act of August 5, 1937. Assistance was given in the drafting of an amendment to the quarantine regulations relating to the importation of living disease organisms and vectors, amendments to the Service regulations pertaining to medical treatment of Coast Guard personnel and their dependents, and waiting orders, regulations for the control of the arsphenamines, and regulations governing allotments and payments to States for the fiscal year 1939 under the Social Security Act and the Venereal Disease Act as amended May 24, 1938.

In the field of taxation the Division handled 5,689 income, estate, and gift tax appeals, involving $134,519,452, and prepared and reviewed 363 cases involving overassessments; prepared data for use by the Department of Justice in the prosecution or defense of 3,948 tax cases (civil and criminal) disposed of during the year; handled the preparation and publication of more than 2,449 regulations, Treasury decisions, and rulings; and reviewed more than 1,900 cases involving

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

offers in compromise and extension of time to pay tax, in addition to a large number of closing agreements. The Division closed 854 reorganization cases, arising under sections 77 and 77B of the Bankruptcy Act, in which no tax claims were filed, and 466 reorganization cases in which claims in the amount of $9,888,402.98 were settled for $2,455,352.48; and closed 1,730 bankruptcy and receivership cases involving claims of $5,865,693.25, which were settled for $2,490,541.36. The Division participated in the preparation of the Revenue Act of 1937, the Revenue Act of 1938, the new Bankruptcy Act, and a provision for the refund of taxes paid under the Bankhead Cotton Act of 1934, the Kerr Tobacco Act, and the Potato Act of 1935. Such regulations as were required during the year for the foregoing legislation were prepared and issued.

In connection with the work of the Alcohol Tax Unit the Division prepared or revised 7,723 memoranda, 287 briefs, 5,370 opinions, 4 Treasury decisions, 655 petitions for remission, 130 claims amounting to over $5,000 each, 19,262 compromises, 7,447 case reports, 57 parole reports, 318 libels, 111 hearings, revocations, etc., and 18 indictments.

BUREAU OF THE MINT [1]

Institutions of the Mint Service

During the fiscal year 1938, seven mint institutions were in operation: Coinage mints at Philadelphia, San Francisco, and Denver; assay office at New York, which handles the major portion of the gold imported and exported; gold bullion depository at Fort Knox, Ky.; mint at New Orleans, conducted as an assay office; and assay office at Seattle. The two last-named institutions are, in effect, merely bullion-purchasing agencies and also serve the public by making assays of ores and bullion. Electrolytic refineries are maintained at the New York, Denver, and San Francisco institutions.

Coinage

Domestic coin manufactured during the fiscal year amounted to 540,375,283 pieces, compared with 760,915,737 pieces during the preceding year when the output was the largest of any fiscal year in the history of the Government. The production in 1938, valued at $26,610,910, consisted of 111,754,358 subsidiary silver coins, valued at $19,854,941; 61,744,005 nickel coins, valued at $3,087,200; and 366,876,920 bronze coins, valued at $3,668,769.

Coinage for foreign governments amounted to 18,392,444 pieces, compared with 42,550,000 pieces during the prior year. The foreign coinage consisted of 8,672,348 silver, nickel, and bronze coins for Honduras, Nicaragua, and Colombia, made at Philadelphia, and 9,720,096 silver coins for China, made at San Francisco.

The grand total of domestic and foreign coins made in 1938 amounted to 558,767,727 pieces, a decrease of 244,698,010 pieces from the prior year.

[1] More detailed information concerning the activities of the Bureau of the Mint is contained in the annual report of the Director of the Mint.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Bullion deposit transactions

The number of bullion deposits during the year totaled 56,005, including 298 inter-mint-service transactions. The deposit transactions required 85,187 assay determinations, compared with 97,293 assay determinations during the prior year.

Gold operations

Gold acquisitions by the mints and assay offices during the year amounted to $1,129,033,865.49; receipts from other Treasury offices of domestic and foreign coin melted during the year amounted to $1,358,071.81; and transfers between Mint Service Institutions amounted to $79,970,670.53. These transactions total $1,210,362,607.83, compared with $7,759,425,211.99 for the prior year.

The acquisitions include $1,028,668.49 of gold received at $20.67+ per fine ounce, which had not been previously surrendered under the nationalization orders. The increment on this gold, due to the increase of the monetary value of gold to $35 per fine ounce, amounted to $713,015.63.

Silver operations

Acquisitions of silver by the mints and assay offices during the year totaled 406,661,895 fine ounces, at an average cost of 49.8+ cents per fine ounce or a total cost of $202,740,642. The acquisitions consist of the following:

Acquisition	Amount (fine ounces)	Cost
Newly mined domestic silver	68,715,543	$51,341,249
Nationalized silver	17,351	8,677
Purchase Act silver	337,225,185	151,082,730
Silver contained in gold bullion deposits, etc	415,082	181,807
Silver received in exchange for Government stamped bars	288,734	126,179
Total	406,661,895	202,740,642

United States coin received for recoinage totaled 3,641,169 fine ounces, with a recoinage value of $5,033,584. Silver deposited for foreign coinage by other governments totaled 725,250 fine ounces. Silver transfers between Mint Service Institutions totaled 1,325,932 fine ounces. These items plus the silver acquired during the year brought the total transactions in silver to 412,354,246 fine ounces, compared with the prior year's total of 254,696,986.

During the year 1938, $201,967,413 of silver certificates were issued against 156,209,171 fine ounces of silver bullion valued at $1.29+ per fine ounce, the statutory monetary value of silver. Such silver had been acquired at an average price of 58.3+ cents per ounce. The difference between the cost of the silver held to secure such certificates and the monetary value of such silver is $110,870,809 (including $20,519,797 arising under the proclamation of December 21, 1933) and this amount constitutes seigniorage.

The open-market price of silver in New York (mean of bid and asked) during the fiscal year 1938 averaged $0.44537. The highest point was $0.45062, which prevailed from July 1, 1937, to March 25,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

1938, with lower prices of $0.44062 on March 28 and $0.43062 during the remainder of the fiscal year.

For newly mined domestic silver a return to the depositor of $0.7757+ per fine ounce, established by the President's proclamation of April 24, 1935, prevailed for silver mined prior to the end of December 1937; for silver mined after that date the return was $0.6464+, established by proclamation of December 30, 1937. The latter rate prevailed during the remainder of the fiscal year.

Refineries

The electrolytic refineries produced during the year 3,079,343 fine ounces (105.6 tons) of electrolytically refined gold bullion, and 1,605,294 fine ounces (55.0 tons) of silver bullion. During the prior year the quantities produced were 3,351,715 fine ounces (114.9 tons) of gold and 1,641,602 fine ounces (56.3 tons) of silver.

The electrolytic refineries at the Denver and San Francisco mints remained closed most of the year because of other more urgent activities.

Stocks of unrefined gold and silver bullion in mint institutions increased during the fiscal year 1938 by approximately 274 tons, to 1,589 tons. The increase in 1937 was about 250 tons.

Commemorative coins

Commemorative half dollars, bearing special designs relating to historic events, were issued during the fiscal year 1938, as follows:

Commemorative coins (half dollars) issued during the fiscal year 1938

Occasion commemorated	Date of law	Pieces
Antietam, Battle of, seventy-fifth anniversary	June 24, 1937	50,000
Norfolk, Va., three hundredth anniversary of original land grant and two hundredth anniversary of the establishment of the city of Norfolk as a borough	June 28, 1937	25,000

Stock of coin and monetary bullion in the United States

On June 30, 1938, the estimated stock of domestic coin in the United States was $1,077,724,054, of which $547,079,218 was standard silver dollars, $373,461,485 subsidiary silver coin, and $157,183,351 minor coin.

The stock of gold bullion, including coin, held in the Treasury on the same date was valued at $12,962,953,931, an increase of $644,682,766 over the previous year; and the stock of silver bullion was 1,678,532,406 fine ounces, an increase of 395,043,598.

Production of gold and silver

Domestic gold production during the calendar year 1937 was 4,804,540 fine ounces with a value of $168,158,900, compared with 4,357,394 fine ounces with a value of $152,508,800 in 1936. The quantity output was about 98 percent of that for the record year 1915, when the total was 4,887,604 fine ounces.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Domestic silver production during the calendar year 1937 totaled 71,941,794 ounces. This compares with 63,812,176 ounces for 1936, and with the record production of 74,961,075 fine ounces for 1915.

Industrial consumption of gold and silver

Gold consumption in the industrial arts during the calendar year 1937 is estimated at $39,622,338. Gold returned from industrial to monetary use amounted to $36,407,945, leaving $3,214,393 as net industrial consumption of new gold, which compares with an excess return from industry of $2,907,833 during the previous year.

Silver used in the arts is estimated at 51,292,270 fine ounces, of which 27,727,284 fine ounces was new material.

Compared with the prior year, there was an increase in gold consumption of approximately 190,000 ounces, and an increase in silver consumption in industry of about 15,500,000 ounces.

Mint buildings

The silver bullion depository, constructed on a site formerly inincluded in the military reservation at West Point, was completed during the fiscal year 1938, and is operated as an auxiliary of the New York assay office. Silver bullion, which had been placed temporarily in the assay office at New York, the old assay office building at New York, the subtreasury building, and in rented vaults, will be stored in the depository.

Additional vaults for silver storage are under construction at the new San Francisco mint building, which was first occupied during the fiscal year 1937.

Appropriations, expenses, and income

Regular appropriations available for the Mint Service during the fiscal year 1938 totaled $1,353,560; the appropriation for meeting emergency expenses amounted to $1,120,000; the deficiency act of March 5, 1938, provided $110,700 for silver movements during 1938 and 1939, of which $17,360 was obligated in 1938; and reimbursements to appropriations for services rendered amounted to $167,837, making a total of $2,658,757.

Expenses amounted to $2,720,123, of which $2,618,125 was chargeable to appropriations and $101,998 chargeable to income.

The regular income realized by the Treasury from the Mint Service aggregated $18,676,153, of which $15,216,162 was seigniorage. The seigniorage on subsidiary silver coin was $9,852,612, and on minor coin $5,363,550. Extraordinary income aggregated $111,583,825, of which $110,870,809 was seigniorage on silver bullion revalued to $1.29+ per ounce, and $713,016 was the increment to $35 per ounce on revalued gold.

The number and value of gold and silver deposits and transfers, gross income, and expenses for the fiscal year 1938, and number of employees on June 30, 1938, at each institution are shown in the following table:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Gold and silver deposits and transfers, income, expenses, and employees, by institutions, fiscal year 1938

Institution	Number of bullion deposits [1]	Number of assay determinations on bullion deposits	Monetary value of gold and silver receipts, including transfers [1]	Gross regular income	Gross expenses	Excess of income or of expenses (−)	Employees, June 30, 1938
Philadelphia	8,420	12,554	$57,000,127	$12,530,547	$1,043,979	$11,486,568	382
San Francisco	18,566	25,311	564,046,937	2,358,476	429,444	1,929,032	184
Denver	5,538	10,049	110,199,236	2,125,239	412,229	1,713,010	174
New York	17,027	29,628	987,058,661	1,580,855	568,951	1,011,904	213
New Orleans	2,515	2,517	1,025,619	7,010	29,709	−22,699	13
Seattle	3,939	5,128	23,564,864	73,981	43,600	30,381	18
Fort Knox					66,621	−66,621	37
Total	56,005	85,187	1,742,895,444	18,676,108	2,594,533	16,081,575	1,021
Bureau of the Mint				45	125,590	−125,545	47
Grand total	56,005	85,187	1,742,895,444	18,676,153	2,720,123	15,956,030	1,068
Prior fiscal year	(2)	97,293	8,060,361,493	34,071,751	4,839,386	29,232,365	1,212

[1] Includes 298 interinstitution transactions amounting to $81,684,846.
[2] Not previously reported.

DIVISION OF MONETARY RESEARCH

The Division of Monetary Research in the Office of the Secretary was established on March 25, 1938. The Division provides information, economic analyses, and recommendations for the use of the Secretary of the Treasury and other Treasury officials to assist in the formulation and execution of the monetary policies of the Department in connection with the stabilization fund and other operations under the Gold Reserve and the Silver Purchase Acts. Analyses are made pertaining to gold and silver, the flow of capital funds into and out of the United States, the position of the dollar in relation to foreign currencies, monetary, banking, and fiscal policies of foreign countries, exchange and trade restrictions abroad, and similar problems. Analyses are also prepared relating to the customs activities of the Department and to the duties of the Secretary of the Treasury under the Tariff Act and on other matters pertaining to international trade, including the trade agreement program.

BUREAU OF NARCOTICS [1]

Enforcement activities

The policy of the Bureau of Narcotics of giving its attention primarily to the elimination of the sources of supply of illicit narcotic drugs has resulted in a reduction from year to year in the supply of narcotics available to the domestic illicit traffic. Prices of drugs in the illicit market continued high; and a high degree of adulteration was still apparent during 1938, especially in heroin, which was found to contain an average adulteration of 75.21 percent.

The decrease in the supplies of smuggled narcotics available to the illicit traffic, which has forced peddlers and addicts to turn to the channels of legitimate distribution for their supply, continued to be reflected in the forgery and false execution of narcotic prescriptions, the improper prescribing and dispensing of narcotics, and the robberies of wholesale and retail stocks. The quantities of drugs stolen increased greatly during the year.

[1] Further information concerning narcotics is available in the separate report of the Commissioner of Narcotics.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The cooperation of State and municipal enforcement agencies with the Bureau increases in effectiveness with the adoption and enforcement of the Uniform State Narcotic Law in the States. This law, approved by the Conference of Commissioners on Uniform State Laws and by the American Bar Association nearly 6 years ago, was adopted with little or no amendment during 1938 by the State of Michigan and the District of Columbia. Only nine States have not adopted the law, namely, California, Kansas, Maine, Massachusetts, New Hampshire, North Dakota, Pennsylvania, Vermont, and Washington. California and Pennsylvania, however, have adequate narcotic legislation.

The enforcement of the taxing features of the Marihuana Tax Act of 1937, approved August 2, 1937 (see exhibit 43, p. 275), will have the effect of restricting the use of the drug to industrial, medical, and scientific purposes; and the publicizing of the dealings in marihuana will prevent distribution for the purpose of maintaining or increasing narcotic addiction. Under the provisions of the act legitimate handlers of marihuana are required to pay occupational taxes, to register with the collector of internal revenue, and to file information returns. All transfers of the drug must be made in pursuance of special order forms issued by the Secretary of the Treasury, and a tax is imposed upon each transfer. A tax of $1 an ounce is imposed upon transfers to registered persons, and $100 an ounce upon transfers to nonregistered persons. Heavy penalties are provided for violations of the provisions of the act.

All of the States and the Territory of Hawaii now have laws for the control and suppression of the traffic in marihuana or cannabis. Narcotic officers have cooperated with State and municipal authorities in the enforcement of these laws and of the municipal ordinances for control of this traffic. The reports received in the Bureau of Narcotics covering seizures of marihuana by State and municipal authorities, in addition to the seizures by Federal authorities listed below, clearly establish that the marihuana problem is one of increasing national significance. Seizures of varying quantities of the drug and the destruction of considerable areas of the growing plants by State and municipal authorities were reported during the calendar year 1937 from 26 States, including 4 States from which none had previously been reported.

The act to increase the punishment of second, third, and subsequent offenders against the narcotic laws was enacted August 12, 1937, with a view to deterring the commission of offenses against the narcotic laws, and to removing such offenders from contact with society in order to prevent the spread of the narcotic habit and reduce the number of criminal offenses of other kinds.

The activities of the Bureau resulted in 3,206 arrests for violations of the Federal narcotic laws, other than the Marihuana Tax Act, and the seizure of 4,354 ounces of narcotic drugs and 167 automobiles during the year, as compared with 3,469 arrests and seizures of 3,962 ounces of narcotic drugs and 115 automobiles during 1937. There was a noticeable decrease in the number of violations reported under the narcotic laws, both in the registered and nonregistered classifications, a total of 4,049 violations having been reported for 1938 compared with 4,585 during the previous year. Of the total violations reported during the year, 14 percent involved persons registered under the law, as compared with 23 percent during 1937.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

There were 769 arrests under the Marihuana Tax Act of 1937, and seizures of 1,106 pounds of bulk marihuana, 155 pounds of marihuana seeds, 12,561 marihuana cigarettes, 743 growing plants, 1,000 pounds of growing plants, 3½ acres of growing plants, and 9 automobiles. A total of 846 violations under the act was reported for the period from October 1, 1937, to June 30, 1938, only 2 of which were by registered persons.

The following tables show the number of cases of violation, by registered and nonregistered persons, of the narcotic and marihuana laws and the cases disposed of during the year as reported by Federal narcotic enforcement officers:

Violations of narcotic laws, excluding the Marihuana Tax Act, and cases disposed of, fiscal year 1938

	Registered persons		Nonregistered persons	
	Federal court	State court	Federal court	State court
Pending July 1, 1937	473		1,243	
Reported during 1938:				
Federal	553		2,724	
Joint	33		739	
Total to be disposed of	1,059		4,706	
Convicted:				
Federal	86	4	1,629	202
Joint	6	4	523	95
Acquitted:				
Federal	2	1	61	13
Joint	---	--	13	2
Dropped:				
Federal	301	13	495	64
Joint	6	2	90	20
Compromised: [1]				
Federal	227	2	2	---
Joint	12	2	-----	---
Total disposed of	668		3,209	
Pending June 30, 1938	391		1,497	

	Registered persons						Nonregistered persons					
	Federal court			State court			Federal court			State court		
	Years	Months	Days	Years	Months	Days	Years	Months	Days	Years	Months	Days
Sentences imposed:												
Federal	160	1	16	6	------	------	3,713	1	9	233	11	6
Joint	10	1	------	1	------	------	1,069	3	25	105	3	22
Total	170	2	16	7	------	------	4,782	5	4	339	2	28

	Registered persons		Nonregistered persons	
	Federal court	State court	Federal court	State court
Fines imposed:				
Federal	$8,808.01	$204.25	$129,228.14	$2,457.50
Joint	210.00	1,097.00	23,451.01	2,206.05
Total	9,018.01	1,301.25	152,679.15	4,663.55

[1] Represents 12 cases involving tax liability which were closed on payment of taxes and penalties in the sum of $94.98; and 233 cases which were compromised in the sum of $22,276.85.

NOTE.—Federal cases are made by Federal officers working independently, while joint cases are made by Federal and State officers working in cooperation with each other.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Violations of the Marihuana Tax Act of 1937 and the cases disposed of, fiscal year 1938

	Registered persons		Nonregistered persons	
	Federal court	State court	Federal court	State court
Reported during 1938:				
Federal	---		551	
Joint	2		293	
Total to be disposed of	2		844	
Convicted:				
Federal	---	---	281	30
Joint	---	---	169	11
Acquitted:				
Federal	---	---	4	--
Joint	---	---	6	3
Dropped:				
Federal	---	---	56	1
Joint	---	---	38	2
Compromised:				
Federal	---	---	---	--
Joint	---	---	---	--
Total disposed of	---		601	
Pending June 30, 1938	2		243	

	Registered persons						Nonregistered persons					
	Federal court			State court			Federal court			State court		
	Years	Months	Days	Years	Months	Days	Years	Months	Days	Years	Months	Days
Sentences imposed:												
Federal	------	------	------	------	------	------	511	9	25	47	10	1
Joint	------	------	------	------	------	------	283	8	24	8	8	------
Total	------	------	------	------	------	------	795	6	19	56	6	1

	Registered persons		Nonregistered persons	
	Federal court	State court	Federal court	State court
Fines imposed:				
Federal	--------	--------	$12,818.00	$550.00
Joint	--------	--------	11,996.00	-------
Total	--------	--------	24,814.00	550.00

NOTE.—Federal cases are made by Federal officers working independently, while joint cases are made by Federal and State officers working in cooperation with each other.

Extent and trend of narcotic traffic

On June 30, 1938, registrations under the Harrison law, as amended, and under the Marihuana Tax Act were as follows:

Registrations under the Federal narcotic laws, June 30, 1938

Registrants	Harrison narcotic law, as amended	Marihuana Tax Act
Importers, manufacturers, producers, and compounders	175	------
Importers, manufacturers, and compounders	------	13
Producers (growers)	------	371
Dealers	------	1,179
Wholesale	1,286	------
Retail	51,577	------
Practitioners	156,654	2,097
Dealers in and manufacturers of untaxed preparations	[1] 136,947	------
Users for purposes of research, instruction, or analysis	54	5
Total	346,693	3,665

[1] Includes registrations for which payment of occupational tax is not required under the act, because also registered in some other class.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

During the year 215,228 pounds of opium were imported, an increase of 38,480 pounds over the previous year. Of the quantity imported, however, 69,332 pounds were retained in customs bond and were not released to manufacturers. The net quantity made available to manufacturers showed an increase of 19,391 pounds compared with 1937. Coca leaves imported for medicinal purposes amounted to 256,877 pounds, an increase of 42,170 pounds over the previous year. Imports of coca leaves for the manufacture of nonnarcotic flavoring extracts amounted to 167,924 pounds.

Exports of narcotic drugs of all kinds amounted to 1,641 ounces in 1938, a decrease of 227 ounces from 1937. The drugs exported involved 40,598 taxable ounces of products.

The net quantity of pure drugs of all kinds sold to domestic purchasers by manufacturers amounted to 419,654 ounces, a decrease of 16,444 ounces from the previous year.

DIVISION OF PRINTING

The Division of Printing transacts all of the Treasury Department's printing and binding business with the Government Printing Office and outside contractors; approves requisitions for stationery supplies used by the Department; authorizes engraving work to be done by the Bureau of Engraving and Printing for all Government departments and establishments, unless money, securities, or postage stamps are involved; and has control over newspaper and periodical advertising for the Treasury Department, the binding of confidential Department records, and the warehousing and distribution of blank books and forms for Washington and field offices of the Department. The Division also edits and prepares copy for weekly issues of "Treasury Decisions" under customs, internal revenue, narcotics, and other laws; and prepares semiannual bound volumes thereof and maintains a mailing list for their distribution. Appropriations to the Department for printing and binding and for purchases of stationery supplies are under the administrative control of the Division.

Printing and binding

During the year $1,650,663 was made available to the Division for printing and binding. Of this amount $1,649,581 was expended, leaving an unobligated balance of $1,082. The following table summarizes the appropriations and funds from other sources, the expenditures therefrom, and balances:

Appropriations, additional funds, expenditures, and balances, fiscal years 1937 and 1938

	1937	1938
Appropriation, printing and binding, Treasury Department	$656,000	$775,000
Deficiency appropriations, printing and binding, Treasury Department	150,000	212,600
Receipts from sales of customs forms	31,523	29,000
Transfers from other appropriations	8,576	8,153
Total	846,099	1,024,753
Expenditures	845,869	1,024,533
Unobligated balance	230	220
Allotment from funds provided under sec. 915, Revenue Act of 1936 (transfer from exportation and domestic consumption of agricultural commodities, Department of Agriculture)	90,000	6,000
Allotment from salaries and expenses, Silver Purchase Act of 1934, Bureau of Internal Revenue, 1938		500
Printing and binding, other appropriations	773,276	619,410
Total	863,276	625,910
Expenditures	834,333	625,048
Unobligated balance	28,943	862

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The details of the expenditures are shown in the following table:

Expenditures for printing and binding, by bureaus, offices, and divisions, fiscal years 1937 and 1938 [1]

EXPENDITURES FROM APPROPRIATIONS FOR PRINTING AND BINDING

Bureau, office, or division	1937	1938
Secretary and General Counsel	$12,527	$13,107
Division of Appointments	455	401
Division of Bookkeeping and Warrants	34,300	34,308
Bureau of Engraving and Printing	5,118	3,092
Division of Research and Statistics	3,211	2,366
Bureau of Narcotics	2,386	4,778
Chief Clerk and Superintendent	1,325	
Chief Clerk		151
Superintendent of Treasury Buildings		
Coast Guard	32,749	35,631
Office of the Commissioner of Accounts and Deposits	814	409
Bureau of the Comptroller of the Currency	24,862	24,068
Bureau of Customs	64,314	68,472
Division of Disbursement	17,019	22,846
Division of Printing	1,147	1,664
Federal Alcohol Administration	747	819
Procurement Division, Brauch of Supply	39,277	37,292
Procurement Division, Public Buildings Branch	3,602	6,198
Bureau of Internal Revenue	385,651	543,398
Bureau of the Mint	2,786	3,963
National bank depositaries	42	
Public Debt Service	9,244	10,868
Public Health Service	69,861	67,900
Secret Service Division	1,202	1,875
Treasurer of the United States	[2] 21,286	[3] 20,241
Miscellaneous and department stock	80,421	81,686
Transportation		[4] 10,000
Total expenditures from regular printing and binding appropriations	814,346	995,533
Customs blank forms	31,523	29,000
Total	845,869	1,024,533

EXPENDITURES REIMBURSED FROM OTHER APPROPRIATIONS

Division of Research and Statistics	$37,286	$5,832
Bureau of Engraving and Printing, salaries and expenses	593	578
Chief Clerk and Superintendent	3,724	
Chief Clerk		467
Superintendent of Treasury Buildings		
Coast Guard	61	8
Office of the Commissioner of Accounts and Deposits	399,516	318,151
Bureau of the Comptroller of the Currency	8,028	9,134
Division of Disbursement	116,649	83,812
Division of Bookkeeping and Warrants, Emergency Relief, administrative expenses	631	2,722
Bureau of Internal Revenue	4,030	2,867
Secret Service Division	3,623	483
Bureau of the Mint		2,314
Bureau of Narcotics		50
Procurement Division, Branch of Supply	142,417	151,073
Procurement Division, Public Buildings Branch	1,499	1,170
Public Debt Service	27,568	17,472
Public Health Service	20,123	18,566
Treasurer of the United States	7,528	4,711
Total expenditures reimbursed from other appropriations	773,276	619,410
Bureau of Internal Revenue:		
Allotment from funds provided under sec. 915, Revenue Act of 1936 (transfer from exportation and domestic consumption of agricultural commodities, Department of Agriculture)	61,057	5,286
Allotment from salaries and expenses, Silver Purchase Act, Bureau of Internal Revenue, 1938		352
Total expenditures reimbursed	834,333	625,048
Grand total expenditures	1,680,202	1,649,581
Total available funds	1,709,375	1,650,663
Balance	29,173	1,082

[1] Figures for 1938 subject to slight variations due to necessary delays in receiving bills from the Public Printer for certain items until pending work is completed after the close of each fiscal year.
[2] Includes $8,576 in transfers from other appropriations.
[3] Includes $8,153 in transfers from other appropriations.
[4] Partly estimated.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Stationery supplies

During the year the Division approved 12,251 requisitions for stationery supplies for the Treasury Department. The available funds and expenditures for stationery during the last two years and the balances of available funds are shown in the following table:

Available funds and expenditures for stationery, fiscal years 1937 and 1938

	1937	1938
Appropriation, stationery, Treasury Department	$400,000	$475,000
Deficiency appropriations, stationery, Treasury Department	75,000	133,400
Reimbursement for stationery furnished other offices	3,869	4,716
Transfers from other appropriations	4,473	4,768
Total	483,342	617,884
Expenditures	482,835	617,161
Unobligated balance	507	723

Department advertising

Authorizations for advertising were issued to 3,162 newspapers and periodicals during the fiscal year 1938, compared with 5,734 in 1937, a decrease of 2,572. The expenditures authorized were $38,427.64 in 1938 and $61,094.76 in 1937, a decrease of $22,667.12 in 1938.

Engraving work

Certificates, checks, commissions, drafts, transportation requests, and warrants totaling 135,716,746 were approved by the Division for execution by the Bureau of Engraving and Printing for the several departments and establishments of the Government during the fiscal year 1938, compared with 167,437,503 in the preceding year.

PROCESSING TAX BOARD OF REVIEW

The Board of Review was established in the Treasury Department by the Revenue Act of 1936 to review and decide appeals of claimants from allowances or disallowances of the Commissioner of Internal Revenue of claims for refund of processing taxes paid. The Secretary of the Treasury designates the members of the Board, who are officers or employees of the Treasury Department, and assigns to it such personnel as may be necessary to perform its functions.

The following table summarizes the work of the Board during the year:

Claims	Number	Amount
On hand July 1, 1937	4	$55,233.93
Received during year	1,179	1,920,018.15
Total to be disposed of	1,183	1,975,252.08
Dismissed	32	142,248.41
On hand June 30, 1938	1,151	1,833,003.67

Of the 32 petitions disposed of, the period within which appeal may be taken to the appellate courts had expired in 7 cases.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

PROCUREMENT DIVISION

Public Buildings Branch

Office of the Supervising Architect.—The activities of the Office of the Supervising Architect have continued to be devoted to the design and preparation of drawings and specifications for the wide variety of buildings required in the public service, and on a reimbursable basis the Office has furnished architectural service for projects under the control of other departments and agencies of the Government. Data relating to the progress made in the various building programs involved and the dollar-value of work accomplished under the jurisdiction of the Procurement Division appear in subsequent statements.

Type designs for the smaller post office buildings have been improved and refined; and designs, developed by the Office of the Supervising Architect in collaboration with the Advisory Committees on Architectural Design and Structural Engineering and with the Directive Board of the Public Buildings Branch, compare favorably with the highest standards of current practice in architectural and structural features.

In accordance with a policy adopted to expedite preliminary work for the emergency construction program, drawings and specifications for all buildings in that category have been prepared in the Office of the Supervising Architect. However, with a view to obtaining designs adaptable to governmental requirements and affording architects in private practice an opportunity to express their conception of Federal building design, the Office of the Supervising Architect, at the direction of the Secretary of the Treasury, conducted 2 architectural competitions, 1 for the designs of 10 small post office buildings open to all architects in the United States except employees of the Government and the District of Columbia, and the other for the design of a post office and courthouse building for Covington, Ky., open to registered architects and architects furnishing acceptable evidence of their qualifications. More than 700 designs were passed upon by the Jury of Award. The Supervising Architect acted in the capacity of architectural adviser.

Continued consideration has been given to appropriate landscaping around the buildings.

Under the act of June 25, 1910, as amended, the Secretary of the Treasury was authorized, upon the request of the head of any executive department or establishment of the Government, to cause plans, drawings, designs, and estimates to be prepared in the Procurement Division for buildings which the head of any executive department or establishment may be authorized to have constructed, reimbursement for the cost of such work to be made to the Procurement Division. In order to permit the most economical and advantageous method of securing construction for other departments, the act of June 15, 1938 (Public No. 609), amended the act of June 25, 1910, as amended, so as to extend the permissive authority of the Secretary of the Treasury, through the Procurement Division, to the acquisition of land necessary for sites, the execution of contracts, and the supervision of construction; and provides that funds appropriated to other executive departments, etc., for buildings shall be available for transfer to and expenditure by the Procurement Division for carrying out the construction. In accordance with the act of June 15, 1938, a large volume of

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

architectural work was taken up for the Bureau of Prisons, Department of Justice, and similar but less extensive services were rendered the Navy Department, the Department of Commerce, the Public Health Service, and the Coast Guard.

During the year architectural services were also supplied in connection with 12 projects outside the continental United States for the Foreign Service Buildings Commission of the Department of State.

Office of the Supervising Engineer.—At the end of the fiscal year 1938 the Office of the Supervising Engineer, through its field service, was supervising the execution in the continental United States, Virgin Islands, Alaska, Puerto Rico, and Hawaiian Islands of approximately 200 construction projects in various stages of completion, ranging in cost from $20,000 to several million dollars each. These projects included post office structures, exposition buildings, auditoriums, a cement plant in Puerto Rico, Federal jails, public health hospitals at various points, and a bullion depository at West Point, N. Y. Preparations were being made to supervise the construction of numerous additional jail projects and other work for other departments aggregating approximately $16,300,000. Topographical surveys and soil data necessary for the preparation of working drawings were being obtained for the above projects.

Under methods adopted by the Public Buildings Branch, violations of labor laws on Federal construction work, particularly the 8-hour law, were reduced to a minimum, and problems pertaining to labor difficulties were handled expeditiously.

In order to obtain centralized control of all repair work necessary for the preservation of the constantly increasing number of completed buildings, the field service was reorganized during November 1937. The Repairs Unit now prepares all drawings and specifications for ordinary and special repair projects, some of which amount individually to $100,000 or more. Under this arrangement the personnel in the eight district offices was diminished and the central office personnel was increased; the inspection personnel remained the same. This change not only enabled the central office to control expenditures, but allowed the field inspection service more time for inspection of new projects under construction.

During the year the Office drafted 518 formal contracts varying in amount from $2,000 to several million dollars each, the total original amount of these contracts being $39,553,286; issued approximately 15,000 authorizations for items of less than $2,000 each, covering independent minor contracts, and additions to, changes in, or deductions from major contracts in force; and issued approximately 9,000 individual orders for standard lock boxes, metal vault shelving, models, title letters, and other materials for buildings under construction and repair.

The unit of special inspection engineers submitted a large number of reports of inspection of newly constructed buildings of all types, covering, among other things, observations and suggestions relating to new materials and methods used in construction.

Combined building program.—Operations during the year by the Public Buildings Branch resulted in the completion or practical completion of 486 major construction projects, with total limits of cost of $84,170,333. Funds for these projects were provided by allotments by the Public Works Administration, by various appropriations for

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

emergency construction of public buildings, and by the transfer of funds to the Division by other departments. The status of work under the combined program at the end of the fiscal years 1937 and 1938 was as follows:

Status	June 30, 1937		June 30, 1938	
	Number	Limit of cost	Number	Limit of cost
Completed	888	$129,025,216	1,374	$213,195,549
Under contract	405	96,741,794	193	63,613,131
Bids in, on market, or in specification stage	139	29,130,300	84	16,983,600
In preliminary stage	169	42,058,100	366	69,880,500
Total	1,601	296,955,410	2,017	363,672,780

Program under the Public Works Administration.—The number of allotments during the year for public buildings by the Public Works Administration under the act approved June 16, 1933, and subsequent legislation was increased by one, and the limits of cost were decreased by $366,064. Under this program 12 buildings, with a limit of cost of $11,317,883, were completed during the year. The status of the work under this program at the end of the fiscal years 1937 and 1938 was as follows:

Status	June 30, 1937		June 30, 1938	
	Number	Limit of cost[1]	Number	Limit of cost[1]
Completed	425	$64,349,502	437	$75,667,385
Under contract	11	11,683,947	1	6,500
In preliminary stage	1	6,500		
Total	437	76,039,949	438	75,673,885

[1] Includes augmentations from funds provided by Emergency Appropriation Act of June 19, 1934, and subsequent legislation.

Included in this program are two projects for the District of Columbia, one the Federal Trade Commission (Apex) Building, with a limit of cost of $3,780,000, which was completed during the year; and the other the Archives Building addition, with a limit of cost of $3,610,000, which was 85 percent complete on June 30, 1938.

Emergency construction program.—The acts approved June 19, 1934, August 12, 1935, June 22, 1936, and August 25, 1937, authorized expenditures totaling $255,000,000 for the emergency construction of public buildings throughout the country, the individual projects to be selected by the Secretary of the Treasury and the Postmaster General. Under these acts 473 projects, with a limit of cost of $66,534,854, were completed during the year. The status of the work on June 30, 1937 and 1938, was as follows:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Status	June 30, 1937		June 30, 1938	
	Number	Limit of cost	Number	Limit of cost
Completed	424	$48,588,914	897	$115,123,768
Under contract	392	77,632,847	188	55,352,359
Bids in, on market, or in specification stage	138	24,345,300	84	16,983,600
In drawing stage	121	31,911,000	172	29,047,500
In preliminary stage	46	5,440,600	193	36,133,000
Total	1,121	187,918,661	1,534	252,640,227

The act of August 25, 1937, authorized an appropriation of $70,000,000 for public buildings over a period of 3 years. The act approved June 21, 1938, authorized an additional $60,000,000 for this purpose, making a total of $130,000,000 for the 3-year program. The selection of projects under the augmented authorization was in progress at the end of the year.

The status of work under the various emergency appropriation acts at the end of the year was as follows:

Date of act	Completed		Under contract		In preliminary stage		Total	
	Number	Limit of cost	Number	Limit of cost	Number	Limit of cost	Number	Limit of cost
June 19, 1934	350	$60,637,262	10	$1,504,408	5	$4,115,000	365	$66,256,670
Aug. 12, 1935	329	36,089,534	30	24,265,448	2	91,500	361	60,446,482
June 22, 1936	214	17,869,472	119	24,107,153	69	18,114,600	402	60,091,225
Aug. 25, 1937	4	527,500	29	5,475,350	373	59,843,000	406	65,845,850
Total	897	115,123,768	188	55,352,359	449	82,164,100	1,534	252,640,227

Program for other departments.—Funds to the amount of $35,358,668 were made available to the Division as of June 30, 1938, by other departments and by certain specific authorizations by Congress for the construction of new buildings and the rehabilitation, remodeling, extension, and repair of old buildings, 45 projects being involved. The status of this work on June 30, 1937 and 1938, was as follows:

Status	June 30, 1937		June 30, 1938	
	Number	Limit of cost	Number	Limit of cost
Completed	39	$16,086,800	40	$22,404,396
Under contract	2	7,425,000	4	8,254,272
On the market for bids	1	4,785,000		
Held pending location of site	1	4,700,000	1	4,700,000
Total	43	32,996,800	45	35,358,668

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Included in this program are the following projects for the District of Columbia, the appropriations for which were made directly to the departments:

Project	Limit of cost	Status
Bureau of Engraving and Printing (annex)	$6,325,000	Completed.
Bureau of Economics Building (Department of Agriculture).		
Government Printing Office Warehouse	7,700,000	Completed.
Government Printing Office Annex		0.002 percent complete.
General Accounting Office	4,700,000	Held pending locating of site.

Repair and equipment of Federal buildings.—During the year $2,474,950.48 was expended by the Department for the repair and equipment of Federal buildings, throughout the country, in the custody of the Post Office and Treasury Departments. Included in this expenditure were 6,970 contracts, at a cost of $1,933,611.03, for repair work, and orders for materials, amounting to $541,339.45, purchased through the Branch of Supply.

Administration and cost of Federal buildings under the control of the Treasury Department.—The administration, number, and cost of completed buildings (exclusive of land) from 1853 to June 30, 1938, are shown in the following table. The repairs on these buildings, payable from annual appropriations for repairs to public buildings, are not included in the cost.

Number and cost of completed buildings (exclusive of land), as of June 30, 1938

Buildings operated by—	Number	Cost
Post Office Department	2,625	$479,650,457.00
Interior Department	12	12,340,766.46
Procurement Division	103	58,102,411.21
Procurement Division, surplus Federal buildings (old) available for sale, vacant or temporarily occupied	[1] 94	37,576,762.36
Bureau of the Mint	5	6,471,550.61
Superintendent of Treasury Buildings	4	12,081,296.17
Public Health Service, marine hospitals	[2] 30	27,405,476.22
Public Health Service, quarantine stations	21	6,824,097.41
Total	2,894	640,452,817.44

[1] Includes 5 buildings used by Post Office Department, 2 buildings used by Bureau of the Mint, 38 vacant buildings, 5 buildings used by emergency relief agencies, 28 buildings used by other Government agencies, 12 buildings rented for commercial purposes, and 4 recommissioned buildings.

[2] Includes Public Health Building, Cincinnati, Ohio; Public Health Laboratory, Hamilton Mont.; Public Health Service Hospital, Lexington, Ky.; Public Health Building, Philadelphia, Pa.; and National Institute of Health, Washington, D. C.

The following table, pursuant to the act approved June 6, 1900 (31 Stat. 592), shows the expenditures for all purposes to June 30, 1938, the outstanding liabilities, and unencumbered balances for buildings constructed by the Treasury Department. Expenditures from annual appropriations are not included.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Cumulative expenditures, by types, on each class of public buildings constructed by the Treasury Department and outstanding liabilities and unencumbered balances as of June 30, 1938

	Sites	Construction	Extensions, alterations, and special items	Repairs
Post office, courthouse, customhouse buildings, etc	$48,368,891.37	$190,259,564.95	$42,961,554.60	$22,721,532.09
Courthouse buildings	5,951,784.69	15,447,524.28	1,621,714.35	662,916.39
Customhouse buildings	3,951,922.33	24,117,978.49	4,428,429.35	3,022,280.57
Marine hospital buildings	1,143,841.70	14,635,969.69	9,279,271.90	4,593,869.51
Post office buildings	85,413,731.12	272,971,199.79	21,002,658.86	16,160,573.11
Quarantine station buildings	351,487.60	4,290,217.73	3,449,236.78	2,026,456.30
Veterans' hospital buildings		493,355.47	369,076.52	104,010.20
Miscellaneous buildings	59,878,320.60	174,079,201.87	22,377,123.28	7,060,472.17
Total	205,059,979.41	696,295,012.27	105,489,065.64	56,352,110.34

	Total expenditures to June 30, 1938	Outstanding liabilities chargeable against appropriations or allotted funds[1]		Unencumbered balance
		Sites	Buildings	
Post office, courthouse, customhouse buildings, etc	$304,311,543.01	$117,380.00	$6,973,164.27	$1,875,250.21
Courthouse buildings	23,683,939.71		5,843,393.10	1,552,239.00
Customhouse buildings	35,520,610.74		202,211.28	22,969.76
Marine hospital buildings	29,652,952.80		1,057,250.16	1,915,168.08
Post office buildings	395,548,162.88	2,305,849.85	14,999,014.03	6,503,157.77
Quarantine station buildings	10,117,398.41		147,675.40	193,315.53
Veterans' hospital buildings	966,442.19			
Miscellaneous buildings	263,395,117.92	21,450.00	11,265,173.67	1,432,337.76
Administrative expenses:				
Working fund projects				5,053.02
Public Works Administration projects				174,704.43
Emergency construction projects				3,807,030.99
Emergency repairs projects				162,425.70
Unallotted appropriations				55,256,071.43
Total	1,063,196,167.66	2,444,679.85	40,487,881.91	72,899,723.68

[1] In addition, administrative expenses totaling $1,521,787.03, include $663.03 for working fund projects, $45,733.02 for Public Works Administration projects, and $1,475,390.08 for construction projects.

Expenditures.—Expenditures for all purposes by the Public Buildings Branch during the year, including expenditures from annual appropriations, outstanding contract liabilities, and unencumbered balances of appropriations or allotted funds are shown in the following statement:

Expenditures and contract liabilities charged against appropriations or allotted funds for the fiscal year 1938, and unencumbered cash balances as of June 30, 1938

	Expenditures	Contract liabilities charged against appropriations	Unencumbered cash balances June 30, 1938
Sites and additional land	$3,580,564.19	$2,444,679.85	$32,635.14
Construction of new buildings	51,982,315.87	26,520,209.95	12,552,652.96
Extension to buildings	12,660,281.47	13,243,533.95	735,853.79
Miscellaneous special items	632,620.84	724,138.01	173,296.22
Emergency repairs to public buildings, etc	703,791.28	233,997.07	1,354,507.87
Administrative expenses:			
Working fund projects	2,477.76	663.03	5,053.02
Public Works Administration projects	481,212.87	45,733.92	174,704.43
Construction projects	5,742,524.85	1,475,390.08	3,807,030.99
Emergency repairs projects	51,923.30		162,425.70
Unallotted appropriations			55,256,071.43
Furniture for triangle buildings	946.08	1,451.40	47,663.48
Outside professional services	64,383.41	61,803.88	204,562.94
Repairs, preservation, and equipment, public buildings	2,474,950.48	932,739.57	14,664.06
Furniture and repairs of same for public buildings	54,094.61	13,355.93	44.65
Operating supplies for public buildings	481,810.18	62,094.53	5,498.62
General administrative expenses	881,090.54	58,714.47	1,271.53
Operating force for public buildings	1,566,500.18	11,127.94	23,658.61
Total	81,361,487.91	45,829,633.58	74,551,595.44

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Section of Space Control.—This Section consists of a Space Allotment Unit, Space Assignment Unit, and a Real Estate Unit.

The Space Allotment Unit during the year submitted recommendations for the assignment of space in 289 buildings, all of which on June 30, 1938, were either completed, under construction, or in the drawing stage. Excluding the post office buildings' space, the Unit has recommended for assignment 852,616 square feet of space, as a result of which approximately $162,587 will be saved the Government in annual rentals. This allocation was 281,019 square feet less than that requested, thus enabling the Government to make potential savings in construction costs.

The Space Assignment Unit cleared 11,830 new leases and renewals of existing leases for the fiscal year 1938 and assigned approximately 166,082 square feet of space to Federal agencies in buildings operated by the Treasury Department. A saving of $127,855 in rental was effected through a more efficient utilization of space in these buildings. Additional savings aggregating $181,977 were effected through the use of a leased building and four recommissioned buildings.

Rentals paid for commercial space throughout the United States showed a decrease of well over a million dollars, compared to the rentals for 1937.

The Real Estate Unit sold during the year 30 surplus properties at $806,868.76. Under the provisions of Public No. 330, approved August 26, 1935, which authorize the sale of Federal buildings and sites for which there is no further Federal need, 6 of these properties were sold for $119,725. The other 24 properties were sold for $687,143.76 under the provisions of Public No. 351, approved August 27, 1935, which authorize the sale of real property located outside the District of Columbia, exclusive of military or naval reservations, which is not needed by the Federal agency having control of the property. There remained to be sold 177 pieces of property valued at $27,285,561.33.

Properties with an estimated value of $5,755,298 were declared surplus by the various Government departments; and 28 properties with an estimated value of $776,732 were reassigned to other Federal agencies by the Real Estate Unit under the provisions of Public No. 351.

The Unit also clears the acquisition of real estate by all Government departments. During the year 172 clearances for the acquisition of property costing $4,456,324.80 were made.

The Inventory of Federal Real Estate and Improvements has been continued and compiled as of June 30, 1937. This report consists of over 15,000 projects supplied by 65 agencies having custody of real estate and improvements, and takes into account the acquisition and disposal of holdings during that fiscal year. The inventory is being continued at the request of the Bureau of the Budget in order to make available a precise and complete statement of the land and improvements in possession of the Federal establishment.

The liquidation of the assets of the United States Housing Corporation was continued during the year. Collections on outstanding balances due on purchasers' accounts totaled $91,347.08, which was derived from the following sources:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Principal payments on contracts of purchase	$72,973.09
Interest payments on contracts of purchase	18,097.82
Operation of projects (rent)	276.17

In accordance with the provisions of the act approved July 11, 1919 (41 Stat. 55), these collections were deposited in the United States Treasury as miscellaneous receipts, bringing the total returns by the Corporation to June 30, 1938, to $73,286,284.56, which is itemized as follows:

Disposal of properties	$18,796,341.67
Repayment of loans	12,848,886.11
Operation of projects	9,141,056.78
Unexpended balance of original appropriation	32,500,000.00

At the close of the year $1,233,964.89, bearing interest at 6 percent per annum, remained to be collected from 574 purchase contract holders at 11 existing active housing projects. The appraised value of 224 parcels of unsold property, situated at 13 housing projects, was $124,334.66, valued according to the general appraisal of the Corporation's properties made in 1920. The Corporation is endeavoring to dispose of these at a fair and reasonable market value.

Section of Painting and Sculpture.—This Section was organized in October 1934 to secure suitable paintings and sculpture for public buildings and to stimulate the development of art in this country. Up to June 30, 1938, reservations have been made for mural and sculpture decorations in 692 buildings, and 305 contracts have been completed with an expenditure of $470,325. On June 30, 1938, there were 179 contracts in force involving an obligation of $366,005.

During the fiscal year 1938, the number of mural and sculpture contracts completed and in force increased by 126, which necessitated an increase in the number of artists employed.

Notable progress has been made by the artists, both in the quality of the designs submitted and in the significance of the projects executed. Experience in the decoration of Federal buildings has enabled the artists to create works more understandable to the public without the sacrifice of personal aesthetic conviction.

Greater appreciation of the work of the Section has been indicated by the increasing number of requests from schools and universities for lecturers and lecture material and by the inclusion in their fine arts courses of a study of the work of the Section. The circulation of the bulletin issued by the Section of Painting and Sculpture also increased—from 7,000 to 8,500.

The policy of making one large anonymous competition serve as the basis of a number of appointments has been endorsed whole-heartedly by the artists and has greatly increased interest in the competitions. During the year three national competitions were held—for the Dallas, Tex., Terminal Annex, the New York World's Fair, and the Federal Trade Commission Building in Washington. In the Dallas competition, 149 painters submitted 447 designs; in the World's Fair competition, 314 sculptors submitted 424 models; and in the Federal Trade Commission competition, 231 sculptors submitted 494 models. The models entered in the Federal Trade Commission competition were exhibited in the gallery of the Section of Painting and Sculpture and those for the World's Fair competition were exhibited at the World's Fair.

The Carnegie Foundation of New York has instituted two funds, one to be devoted to a critical study of the work of the Section and the other to a volume on the sculpture executed.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Treasury relief art project.—The Treasury relief art project, which was set up in 1935 for assistance to educational, professional, and clerical persons, is being liquidated as rapidly as the assignments are completed. During the year allocations to the Director of Procurement were increased in the amount of $35,737 to complete the projects which were pending on June 30, 1937.

Employment decreased from 135 persons on June 30, 1937, to 17 persons on June 30, 1938. Those who had completed their work were transferred to other Government agencies.

The total amount allocated to the project as of June 30, 1938, was $771,521, of which $754,430 was obligated. Obligations were liquidated in the amount of $744,140, leaving $10,290 outstanding unpaid. Of the total amount allocated, $17,091 remained unobligated.

As of June 30, 1938, 85 murals and 39 sculpture projects for Federal buildings were completed and installed. Of the 10,215 easel paintings executed, 2,287 were allocated. Four murals were in the final stages of completion, and installation of these is expected within the next three months. Four pieces of sculpture will be completed and installed not later than September 30, 1938. Four or five months' work remained to be done in the frame shop due to the large number of easel paintings executed.

No new projects were undertaken during the year, with the exception of the execution of a Naval Reserve medal which was designed in compliance with a request from the Secretary of the Navy.

Branch of Supply

The centralized purchase of supplies and materials through the consolidation of the requirements of the various departments and agencies continued to show pronounced economy. An analysis of 79 relatively small purchases and of four term contracts alone showed savings of $2,916,201.

During the year the Branch of Supply received 54,310 bids for supplies and materials and awarded 25,583 contracts, including term contracts. Purchases, exclusive of field purchases, amounted to $20,089,807, compared with $16,975,876 [1] in 1936 and $27,762,952 [1] in 1937. The term contracts were used by the various departments and establishments for additional purchases approximating $60,368,065.

The purchase of textiles for the Works Progress Administration sewing projects continued in importance. In 1938 the Branch of Supply purchased 126,792,230 yards at a cost of $11,328,200, compared with 113,218,678 yards in 1937 at a cost of $13,112,419. The special procedure to control these purchases has proved economical in time and funds. The purchases were made with a saving of $2,294,939 in 1938 and $2,104,171 in 1937. Clarity of specifications and advance inspections at the mills contributed substantially to these savings. In not a single instance were purchases made against the account of a defaulting contractor.

In a letter dated June 21, 1938, the President directed the Works Progress Administration to procure not to exceed $10,000,000 worth of surplus clothing for distribution to needy persons and also directed the Procurement Division to handle the purchase thereof. Arrangements were made by the Branch of Supply for handling this large

[1] Revised.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

transaction in the New York State Procurement Office under the personal direction of officers of the Branch of Supply. Administrative personnel and purchase experts were assigned to that office to assist in the work. In a later letter the President directed that the amount for this program be increased to $15,000,000.

The economy and convenience of consolidated service contracts at the larger field centers have prompted the extension of such contracts. As of June 30, 1938, drayage contracts were in effect in five of the larger centers; electricity contracts in three; gas in two; typewriter and miscellaneous office machine repairs in two; telephone in one; and a Nation-wide contract covering repairs to office machines of a prominent make. In addition, consolidated contracts were made for a number of services of less importance for the convenience afforded. Consolidated contracts, Nation-wide in scope, were executed covering tank car, tank wagon, and steel drum deliveries of motor gasoline. The net saving per gallon on the 146,890,816 gallons required will be $.0142, establishing a gross saving of $2,085,849.

Under consolidated electric contracts in the New York City area, the lower rate effective January 1, 1938, resulted in a saving for 1938 of $308,858. Arrangements have been made with the New York Edison Company to extend the same low rate to the Federal building in the New York World's Fair. The electricity contract in Philadelphia resulted in a saving of $6,000, about a 24 percent saving. A consolidated contract for gas in the New York area saved $4,700, a 33 percent reduction.

The Procurement Division requirement that all lubricating oil be purchased from Navy contracts resulted in a saving in 1938 of $1,514,750 to Federal agencies other than the Navy Department. A three year study was completed and a new specification developed covering a compound lubricating oil suitable for "caterpillar" type Diesel engines. This should result in a continuing saving, estimated for 1939 to be $37,500.

Fuel issues to the departments and agencies were consistent with a rather mild season, deliveries being 327,442 tons of coal, 6,927,564 gallons of fuel oil, 250 cords of wood, 1,085 bushels of charcoal, and 230 tons of coke. The 1,176,431 gallon increase in 1938 in fuel oil reflects the tendency toward a more general use of this fuel.

In connection with the purchases in 1938, 21,875 inspections were made in Washington, resulting in 1,441 rejections, while inspections at factories of 128,890 pieces of furniture resulted in the rejection of 882 pieces.

New specifications, revisions, and amendments to Federal specifications, totaling 190, were prepared, bringing the total specifications in effect on June 30, 1938, to 1,181.

Revision of the Federal Standard Stock Catalog and the checking and arranging of stock lists of various Federal agencies were continued.

Federal traffic activities required the issuance of 2,789 routing orders covering 22,650 cars and the routing of 34,771 less-than-carload shipments. Rate quotations were furnished in 285,087 instances. Through arrangements with carriers in a few specific shipments, over $400,000 was saved, and changes in classification affecting heavy continuing shipments will afford economy of major importance to various agencies.

The traffic night school was inaugurated in February 1938 by the Branch of Supply to instruct interested Government employees, with-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

out cost to the Government or charge to the participants, in procedure relating to the handling of Government freight and express traffic.

In the disposition of surplus property, sales to Government agencies amounted to $55,920, and sales, including waste materials, to the public in the District of Columbia amounted to $147,987. About half of the property sold had been reconditioned. Declarations covering about 4,400 lots of property declared surplus in the field resulted in 3,359 transfers to Government uses.

There were 847 lists of property, surplus to the emergency relief activities and determined to be of no further use to the Government, which were sent to State procurement offices for disposal. Sales of this property involved 1,015 awards and yielded a return of approximately $125,000.

The disposal of surplus property acquired by and surplus to the Federal Housing Administration resulted in the transfer of 13,869 items of miscellaneous equipment having a current value of $1,924,158, and consisting chiefly of domestic appliances such as refrigerators, washing machines, heaters, etc. About $400,000 worth of similar equipment is in process of like disposal.

Overhauls and adjustments of typewriters for various agencies totaled 21,823, with charges aggregating $36,290, which is estimated to be about $12,000 less than the same work by commercial agencies would have cost.

In the Procurement Division garage, passenger cars and trucks of various Federal agencies were serviced 29,872 times, 3,273 repair jobs were done, and 233,030 gallons of gasoline and 4,747 gallons of oil were dispensed.

Expert assistance in designing and selecting furnishings was given in connection with 12 different Federal activities. This involved the study of special furniture, rugs, curtains, and wall hangings.

Under the cooperative arrangement with the Department of Labor for the enforcement of the Walsh-Healey Act, which provides conditions for the purchase of supplies and the making of contracts by the United States, investigations were made of all requests for exemption from provisions of the act and information was furnished on various important commodities.

Various studies have resulted in accomplishments of general importance. Plans were developed for the systematizing of intercommunication between Government agencies in Washington, which should effect a saving of over $15,000 a year on telephones. A survey for the Department of Agriculture of all motor vehicles owned by the Government affords the Bureau of Public Roads invaluable data. The general schedule contract for adding machines was improved through securing lower rates on quantity purchases. In cooperation with the Bureau of Mines a new specification for less sensitive dynamite was developed, which should afford additional safety.

The 123 Federal business associations, functioning as agencies of the Procurement Division on special field assignments, assisted in obtaining bids leading to consolidated contracts in the field and in collecting data for use in telephone service studies. Free use of 2,262 Government-owned trucks was obtained by the associations for the Post Office Department in handling mail during the Christmas period, representing a saving of $142,623.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Reimbursements from the $3,000,000 work relief supply fund to the general supply fund for the purchase and distribution of materials, supplies, and equipment for the work relief program amounted to $843,628 during the year. The work relief fund will be reimbursed by the governmental agencies for which these purchases were made.

In the State procurement office organization, which covered the 48 States, Hawaii, Puerto Rico, and the Virgin Islands, the Honolulu office was eliminated in 1938 and certain areas were consolidated. These changes effected appreciable economies in salaries and rentals without any detriment to the service.

During the year the Branch of Supply and the State procurement offices acted upon 574,582 requisitions; issued 812,379 purchase orders; and passed for payment 1,145,327 vouchers, representing purchases of $148,827,485 against emergency relief funds. This amount includes the $11,328,200 of purchases of textiles by the Branch of Supply, but does not include clearances for purchase by other agencies. The 1938 volume was nearly 40 percent less than in 1936 and 1937, reflecting the reduction in emergency relief appropriations.

About 1,834 new leases and 635 renewals of leases for field offices of various activities operating under emergency relief funds were effected, and a large number of agreements were concluded for free space for these offices.

PUBLIC DEBT SERVICE

The Public Debt Service is charged with the conduct of transactions in public debt securities of the United States, the verification of United States currency redeemed by the Treasurer of the United States and of imperfect securities delivered by the Bureau of Engraving and Printing, the destruction of redeemed currency and other securities authorized to be destroyed, and the procurement of distinctive paper for currency and public debt securities.

The Public Debt Service comprises the Office of the Commissioner, the Division of Loans and Currency, the Office of the Register of the Treasury, the Division of Paper Custody, the Division of Public Debt Accounts and Audit, and the Destruction Committee, with a small field force at the mill of the contractor for distinctive paper. The Federal Reserve banks, as fiscal agents of the United States, function as a field force for public debt transactions, and the Postal Service functions in like manner for the sale of United States savings bonds.

The following statements, submitted by the administrative units of the Public Debt Service, summarize the transactions conducted during the year:

Division of Loans and Currency

This Division is the active agent of the Secretary of the Treasury for the issue of all public debt obligations of the United States and for conducting transactions in such obligations after issue. It is also responsible for the issue of bonds or other obligations of Puerto Rico and the Philippine Islands, for which the Treasury Department acts as fiscal agent, and of the securities of various Government corporations and credit agencies. The Division undertakes the safekeeping of these securities for certain Government offices. It also counts and

104825—39——15

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

delivers to the Destruction Committee the United States currency canceled as unfit and mutilated paper (spoilage, etc.) received from the Division of Paper Custody and the Bureau of Engraving and Printing.

Issue and retirement of securities.—The following is a summary of the issues and retirements of securities conducted through this Division during the year. Detailed accounts of all transactions in public debt securities of the United States are presented in formal statements elsewhere in the report.

Transactions in United States and insular securities and in securities of various Government corporations and credit agencies, fiscal year 1938

[Par value]

Transaction	Bearer	Registered	Total
Public debt securities:[1]			
On hand June 30, 1937	$14,090,691,030.00	$2,889,966,820.00	$16,980,657,850.00
Unissued stock returned to Division		24,850.00	24,850.00
Received from Bureau of Engraving and Printing	14,714,279,000.00	3,738,777,560.00	18,453,056,560.00
Total to be accounted for	28,804,970,030.00	6,628,769,230.00	35,433,739,260.00
Stock shipments to Federal Reserve banks and post offices	13,267,341,350.00	718,968,750.00	13,986,310,100.00
Issued by Division	32,669,150.00	2,741,280,330.00	2,773,949,480.00
Unissued stock delivered to Register of the Treasury	958,174,500.00	40,459,420.00	998,633,920.00
Specimen to Commissioner of the Public Debt		100.00	100.00
Total disposals	14,258,185,000.00	3,500,708,600.00	17,758,893,600.00
On hand June 30, 1938	14,546,785,030.00	3,128,060,630.00	17,674,845,660.00
Retired and redeemed	261,239,968.50	1,753,800,005.00	2,015,039,973.50
Insular securities and securities of Government corporations and credit agencies:			
On hand June 30, 1937	5,320,298,275.00	1,432,621,100.00	6,752,919,375.00
Unissued stock returned to the Division	304,000.00		304,000.00
Received from Bureau of Engraving and Printing	1,987,295,000.00	240,937,513.18	2,228,232,513.18
Total to be accounted for	7,307,897,275.00	1,673,558,613.18	8,981,455,888.18
Stock shipments to Federal Reserve banks	1,813,308,100.00		1,813,308,100.00
Issued by Division	8,148,325.00	122,372,913.18	130,521,238.18
Unissued stock delivered to Register of the Treasury	1,844,841,000.00	99,984,700.00	1,944,825,700.00
Total disposals	3,666,297,425.00	222,357,613.18	3,888,655,038.18
On hand June 30, 1938	3,641,599,850.00	1,451,201,000.00	5,092,800,850.00
Retired and redeemed	44,093,950.00	171,992,669.61	216,086,619.61

[1] Includes adjusted service bonds and United States savings bonds.

United States savings bonds.—On June 30, 1937, there were 2,785,640 United States savings bonds on hand with a maturity value of $466,850,700. During the year the Division received from the Bureau of Engraving and Printing 2,895,000 bonds with a maturity value of $722,000,000, and 106 bonds with a maturity value of $24,850 were restored to stock. Of these bonds, 2,835,787 with a maturity value of $731,728,150 were issued and 231,138 bonds amounting to $32,459,950 were delivered to the Register of the Treasury, leaving a balance on hand of 2,613,821 bonds with a maturity value of $424,687,450 on June 30, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Original registration stubs, representing sales of United States savings bonds, received and audited, savings bonds redeemed prior to maturity received and registration discharged before payment, and savings bonds redeemed prior to maturity received and registration discharged after payment are shown in the following tables:

Original registration stubs, representing sales of savings bonds, received and audited, monthly, fiscal year 1938

Month of issue	Number of pieces						Maturity value
	$25	$50	$100	$500	$1,000	Total	
SERIES A—1935							
1935—December					1	1	$1,000
SERIES B—1936							
1936—January					2	2	2,000
September			1			1	100
November			−1			−1	−100
December				1		1	500
Total series B—1936				1	2	3	2,500
SERIES C—1937							
1937—January	−3	1	38	7	100	143	107,275
February	1	1	2		−4		−3,725
March	2	2	2	20	−10	16	350
April	2	2	8	−12	6	6	950
May		7	11	2	50	70	52,450
June [1]	7	68	28	9	23	135	33,875
Total	9	81	89	26	165	370	191,175
July	48,935	39,503	64,897	18,866	31,434	203,635	50,555,225
August	46,819	35,564	57,561	14,162	24,697	178,803	40,482,775
September	43,693	32,719	52,940	12,961	20,825	163,138	35,327,775
October	46,999	35,261	55,297	13,621	21,868	173,046	37,146,225
November	47,198	35,315	54,798	13,772	21,907	172,990	37,218,500
December	60,937	42,729	67,965	18,624	42,411	232,666	62,179,375
Total	294,581	221,091	353,458	92,006	163,142	1,124,278	262,909,875
Total series C—1937	294,590	221,172	353,547	92,032	163,307	1,124,648	263,101,050
SERIES C—1938							
1938—January	68,869	51,630	87,327	27,371	104,036	339,233	130,757,425
February	61,870	44,854	70,427	18,618	39,398	235,167	59,539,150
March	63,538	47,816	72,620	18,976	39,162	242,112	59,891,250
April	55,760	40,764	64,398	15,951	31,934	208,807	49,781,500
May [2]	11,868	7,655	8,897	1,624	4,284	34,328	6,665,150
June [2]	8,338	5,486	5,960	1,078	3,190	24,052	4,807,750
Total series C—1938	270,243	198,205	309,629	83,618	222,004	1,083,699	311,442,225
Grand total	564,824	419,296	663,087	175,624	385,146	2,207,977	574,352,100

[1] Does not include stubs detached from bonds sold by the Treasury and Federal Reserve banks during June 1937 and reported in July 1937. These stubs were included in the report for the fiscal year 1937.
[2] May and June stubs from the Post Office Department not included.

NOTE: Minus figures indicate adjustments due to changes in reports of issuing agents.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

United States savings bonds, redeemed prior to maturity, received and registration discharged, monthly, fiscal year 1938

Month [1]	Number of pieces						Maturity value
	$25	$50	$100	$500	$1,000	Total	
	Registration discharged before payment						
SERIES A—1935							
1937—July	309	217	470	152	258	1,406	$399,575
August	116	125	271	80	99	691	175,250
September	103	94	255	91	139	682	217,275
October	146	118	264	104	137	769	224,950
November	118	90	248	100	134	690	216,250
December	121	108	248	96	138	711	219,225
1938—January	100	73	229	80	124	606	193,050
February	69	53	182	73	110	487	169,075
March	114	97	261	78	97	647	169,800
April	143	159	302	87	156	847	241,225
May	84	78	306	108	140	716	230,600
June	111	94	240	96	71	618	151,075
Total series A—1935	1,534	1,308	3,282	1,145	1,603	8,870	2,607,350
SERIES B—1936							
1937—July	597	531	1,061	282	519	2,990	807,575
August	162	129	342	100	224	957	318,700
September	204	208	374	119	218	1,123	330,400
October	178	201	411	126	207	1,123	325,600
November	158	144	269	107	186	864	277,550
December	247	213	436	105	272	1,273	384,925
1938—January	182	130	283	138	268	1,001	376,350
February	160	148	354	131	245	1,038	357,300
March	226	152	309	149	233	1,069	351,650
April	218	269	380	112	234	1,213	346,900
May	169	171	325	117	180	962	283,775
June	168	128	261	145	312	1,014	421,200
Total series B—1936	2,669	2,424	4,805	1,631	3,098	14,627	4,581,925
SERIES C-1937							
1937—July	471	281	549	114	230	1,645	367,725
August	126	75	180	51	144	576	194,400
September	139	116	252	60	175	742	239,475
October	191	113	268	103	202	877	290,725
November	209	111	279	74	180	853	255,675
December	199	128	302	116	205	950	304,575
1938—January	288	169	268	95	243	1,063	332,950
February	228	174	347	100	351	1,200	450,100
March	288	225	442	141	354	1,450	487,150
April	441	252	532	196	371	1,792	545,825
May	341	171	340	108	226	1,186	331,075
June	224	203	380	128	273	1,208	390,750
Total series C-1937	3,145	2,018	4,139	1,286	2,954	13,542	4,190,425
SERIES C-1938							
1938—February					20	20	20,000
March	11	30	33	3	18	95	24,575
April	76	59	83	9	90	317	107,650
May	101	64	90	28	64	347	92,725
June	107	46	114	27	76	370	105,875
Total series C-1938	295	199	320	67	268	1,149	350,825
Total registrations discharged before payment	7,643	5,947	12,546	4,129	7,923	38,188	11,730,525

[1] Where registration was discharged before payment, the month is that in which the bonds were redeemed. Where registration was discharged after payment, the month is that in which the registrations were discharged.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

United States savings bonds, redeemed prior to maturity, received and registration discharged, monthly, fiscal year 1938—Continued

Month	Number of pieces						Maturity value
	$25	$50	$100	$500	$1,000	Total	
	Registration discharged after payment						
SERIES A-1935							
1937—July	689	512	966	306	350	2,823	$642,425
August	652	364	859	349	305	2,529	599,900
September	1,350	699	1,840	532	463	4,884	981,700
October	1,517	1,015	2,234	614	611	5,991	1,230,075
November	1,464	952	2,264	696	732	6,108	1,390,600
December	731	551	1,036	344	359	3,021	680,425
1938—January	755	505	1,032	304	342	2,938	641,325
February	728	354	834	275	227	2,418	483,800
March	1,675	1,108	2,095	630	579	6,087	1,200,775
April	1,878	1,459	2,753	858	720	7,668	1,544,200
May	1,105	782	1,571	492	434	4,384	903,825
June	1,478	1,163	2,203	663	570	6,077	1,216,900
Total series A-1935	14,022	9,464	19,687	6,063	5,692	54,028	11,515,950
SERIES B-1936							
1937—July	1,996	1,484	2,466	536	796	7,278	1,434,700
August	1,944	1,290	1,984	505	674	6,397	1,238,000
September	3,311	2,806	4,279	1,123	1,288	12,807	2,500,475
October	3,848	3,453	5,179	1,236	1,515	15,231	2,919,750
November	3,092	2,680	4,235	1,088	1,383	12,478	2,561,800
December	2,543	1,760	3,054	823	1,215	9,395	2,083,475
1938—January	2,051	1,594	2,502	610	956	7,713	1,642,175
February	1,646	1,221	1,619	447	679	5,612	1,166,600
March	4,474	3,516	5,086	1,447	1,952	16,475	3,471,750
April	4,773	3,757	5,927	1,417	1,872	17,746	3,480,375
May	2,794	2,005	3,402	922	1,181	10,304	2,152,300
June	3,734	3,314	4,564	1,269	1,398	14,279	2,747,950
Total series B-1936	36,206	28,880	44,297	11,423	14,909	135,715	27,399,350
SERIES C-1937							
1937—July	1,259	816	1,299	370	578	4,322	965,175
August	609	326	695	140	260	2,030	431,025
September	3,130	2,031	2,850	792	970	9,773	1,830,800
October	4,679	2,977	4,453	1,060	1,486	14,655	2,727,125
November	3,402	2,296	3,711	861	1,332	11,602	2,333,450
December	611	314	457	122	135	1,639	272,675
1938—January	3,770	2,159	3,491	792	1,292	11,504	2,239,300
February	6,074	3,866	5,255	1,048	1,375	17,618	2,769,650
March	7,855	4,818	7,527	1,735	2,257	24,192	4,314,475
April	9,502	6,631	8,915	1,976	2,639	29,663	5,087,600
May	7,638	4,911	6,949	1,526	2,139	23,163	4,033,400
June	9,265	5,774	8,823	1,918	2,348	28,128	4,709,625
Total series C-1937	57,794	36,919	54,425	12,340	16,811	178,289	31,714,300
SERIES C-1938							
1938—April	689	395	621	150	354	2,209	528,075
May	1,371	784	1,299	284	523	4,261	868,375
June	3,583	2,039	2,918	721	963	10,224	1,806,825
Total series C-1938	5,643	3,218	4,838	1,155	1,840	16,694	3,203,275
Total registrations discharged after payment	113,665	78,481	123,247	30,981	39,252	385,626	73,832,875
Total registrations discharged	121,308	84,428	135,793	35,110	47,175	423,814	85,563,400

Individual registered accounts.—In connection with registered issues of the United States and of securities of various Government instrumentalities, individual accounts are maintained; and on the interest-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

bearing debt, interest is paid periodically in the form of checks. The accounts open on June 30, 1938, were as follows:

Loans	Number of accounts	Principal
Public debt issues:		
Interest-bearing loans	460,137	$5,422,960,646.40
Matured loans (Liberty, Victory, pre-war, and postal savings)	18,419	10,439,840.00
Total public debt issues	478,556	5,433,400,486.40
Other issues:		
Home Owners' Loan Corporation bonds	5,647	224,869,000.00
Federal Farm Mortgage Corporation bonds	18,071	178,549,000.00
Consolidated Federal farm loan bonds	9,656	41,684,600.00
Mutual mortgage insurance fund	83	569,909.76
Matured Home Owners' Loan Corporation bonds	1	1,000.00
Total other issues	33,458	445,673,509.76
Grand total	512,014	5,879,073,996.16

There were 46,538 individual accounts closed for registered Liberty bonds, Victory notes, special Treasury notes, pre-war and postal savings issues, and Treasury bonds; and 12,206 accounts were decreased, representing the retirement of securities amounting to $1,324,998,160 par value. In connection with the same loans, 29,392 new accounts, involving $1,944,320,580 of principal, were opened. Changes of address for the mailing of interest checks were made in 23,884 cases.

There were received from the Bureau of Engraving and Printing 928,200 checks as stock and there were canceled and delivered to the Destruction Committee stock consisting of 3,162 valid checks and 3,349 void checks.

Claims.—Claims for relief on account of lost, stolen, destroyed, and mutilated securities handled by the Division during the fiscal year were as follows:

	Number of claims	Number of securities	Par amount of securities
	Public debt issues		
On hand June 30, 1937	9,995	30,366	$4,727,835.75
Received	2,694	6,682	2,070,308.54
Total to be accounted for	12,689	37,048	6,798,144.29
Settled by:			
Reissue or redemption of securities	1,163	2,531	470,901.79
Recovery of securities	576	1,380	1,180,100.00
Disallowance of claims and credit allowed	177	896	191,185.00
Sent to Surrenders Section for settlement	68	457	2,190.00
Total disposals	1,984	5,264	1,844,376.79
On hand June 30, 1938	10,705	31,784	4,953,767.50
	Home Owners' Loan Corporation, Federal Farm Mortgage Corporation, and consolidated Federal farm loan bonds [1]		
On hand June 30, 1937	229	1,008	$333,400.00
Received	103	392	181,937.05
Total to be accounted for	332	1,400	515,337.05
Settled by recovery and redemption, or no relief	75	263	98,137.05
On hand June 30, 1938	257	1,137	417,200.00

[1] Does not include 35 claims, involving 138 pieces amounting to $96,700, which give incomplete description of securities.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Safekeeping of securities.—During the year transactions in securities held in safekeeping were as follows:

Issues	On hand June 30, 1937	Received	Released	On hand June 30, 1938
Public debt issues	$1,479,716,206.40	$2,218,148,500.00	$1,128,188,900.00	$2,569,675,806.40
Insular securities	6,720,500.00	2,311,500.00	2,389,500.00	6,642,500.00
Home Owners' Loan Corporation bonds	25,026,550.00	70,040,400.00	80,066,800.00	15,000,150.00
Total	1,511,463,256.40	2,290,500,400.00	1,210,645,200.00	2,591,318,456.40

Mutilated paper and redeemed currency.—Mutilated paper verified and delivered to the Destruction Committee consisted of 38,109,267 sheets and coupons of which 37,953,982 sheets and coupons were received from the Bureau of Engraving and Printing and 155,285 sheets from the Division of Paper Custody.

Redeemed currency, unfit for circulation, counted and delivered to the Destruction Committee during the year amounted to 899,371,391 pieces, representing $1,581,116,107.22, detailed as follows:

Currency	Pieces	Face value
United States notes	58,770,999	$243,425,500.00
Silver certificates	840,065,115	1,325,419,834.00
Gold certificates	531,224	12,267,590.00
Treasury notes	523	2,400.00
Fractional currency	3,530	783.22
Total	899,371,391	1,581,116,107.22

In addition to the securities which were delivered to the Register of the Treasury, the Division canceled and delivered to the Register 3,640,953 coupons amounting to $369,474,724.38. Of these, 3,104,074 amounting to $275,419,964.94 were public debt coupons, and 536,879 amounting to $94,054,759.44 were coupons from securities of Government corporations and credit agencies.

Register of the Treasury

The Register of the Treasury conducts the final audit and has custody of all retired public debt securities, including interest coupons and checks, and performs a like function with respect to the securities of the Home Owners' Loan Corporation, Federal Farm Mortgage Corporation, Federal Housing Administration, Reconstruction Finance Corporation, Commodity Credit Corporation, and the consolidated obligations of the Federal home loan banks and the Federal land banks. The Register also retires bonds of the insular possessions which are exchanged for other securities.

The Register renders monthly certification to the Comptroller General of all public debt securities redeemed by the Treasurer of the United States, and establishes credits due the Federal Reserve banks and the Division of Loans and Currency for securities forwarded by them on account of exchanges, replacements, transfers of registration, etc.

The following statement sets forth, by class of security, the total number and face value of documents which were received by the Register's Office on account of transactions during the fiscal year 1938:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Summary of securities received by the Register of the Treasury on account of transactions during the fiscal year 1938

Security	Bearer		Registered	
	Pieces	Amount	Pieces	Amount
	Redeemed			
Public debt securities:				
Pre-war and postal savings bonds	76	$7,320.00	383	$1,769,800.00
Liberty loans	46,354	26,145,450.00	5,716	3,477,150.00
Treasury bonds	79	322,400.00		
Treasury notes	188,344	2,742,201,600.00	203	132,865,000.00
United States savings bonds			437,875	66,871,958.50
Adjusted service bonds			[1] 652,734	82,636,700.00
Certificates of indebtedness	419	1,044,550.00	280	907,965,000.00
Treasury bills	105,268	4,856,487,000.00		
Treasury (war) savings securities	58,493	82,101.16	1,990	29,713.30
Interest coupons	[1] 8,492,674	[1] 525,867,803.68		
Other securities:				
Home Owners' Loan Corporation:				
Bonds	6,719	50,088,625.00	16	80,000,000.00
Interest coupons	[2] 2,991,203	[2] 53,774,806.92		
Interest checks			11,280	6,460,637.50
Federal Farm Mortgage Corporation:				
Bonds			20	10,000,000.00
Interest coupons	[3] 1,033,155	[3] 20,869,045.98		
Interest checks			36,445	5,712,470.60
Consolidated Federal farm loans of the Federal land banks:				
Interest coupons	[4] 788,371	[4] 22,181,832.68		
Interest checks			18,254	1,327,531.39
Federal Housing Administration:				
Mutual mortgage insurance fund debentures			76	121,519.61
Mutual mortgage insurance fund interest checks			139	6,066.10
Federal home loan banks:				
Consolidated debentures	4,402	24,695,000.00		
Interest coupons	[5] 12,334	[5] 359,373.75		
Total	13,727,891	8,324,126,909.17	2,165,411	1,299,243,547.00
	Retired on account of exchanges for other securities, etc.			
Public debt securities:				
Pre-war and postal savings bonds	1,361	$406,100.00	14,437	$7,924,280.00
Liberty loans	1,783	159,150.00		
Treasury bonds	405,711	1,644,678,650.00	84,688	272,663,150.00
Treasury notes	279,505	4,167,021,500.00	13	237,662,000.00
United States savings bonds			19,913	7,562,050.00
Adjusted service bonds			3,453	172,650.00
Certificates of indebtedness			1	2,000,000.00
Treasury bills	19,816	1,031,633,000.00		
First 3½% Liberty Loan interim certificates	20	2,350.00		
Other securities:				
Insular possessions loans	52	52,000.00	622	1,258,000.00
Home Owners' Loan Corporation bonds	340,348	660,383,850.00	2,136	14,876,000.00
Federal Farm Mortgage Corporation bonds	90,250	85,458,700.00	7,528	59,133,700.00
Consolidated Federal farm loans of the Federal land banks, bonds	28,541	54,313,300.00	4,000	5,719,500.00
Federal Housing Administration: Mutual mortgage insurance fund debentures			7	20,950.00
Federal home loan banks, consolidated debentures	7,313	11,271,000.00		
Commodity Credit Corporation notes	9,839	151,187,000.00		
Total	1,184,539	7,806,566,600.00	136,798	608,992,280.00

[1] Represents audited figures through October 1937 settlement and unaudited figures for November to March. Does not include 3,391,966 pieces, $209,536,179, covering April to June, not received from Treasurer.

[2] Represents audited figures through October 1937 settlement and unaudited figures for November to February. Does not include 920,135 pieces, $13,958,378.59, covering March to June, not received from Treasurer.

[3] Represents audited figures through October 1937 settlement and unaudited figures for November to February. Does not include 598,552 pieces, $14,112,735.13, covering March to June, not received from Treasurer.

[4] Represents audited figures through October 1937 settlement and unaudited figures for November to February. Does not include 188,369 pieces, $5,412,438.98, covering March to June, not received from Treasurer.

[5] Represents audited figures through October 1937 settlement and unaudited figures for November to February. Does not include 15,272 pieces, $434,883.75, covering March to June, not received from Treasurer.

NOTE.—Redeemed securities, with the exception of United States savings bonds, have been audited through March 1938 settlement. United States savings bonds have been audited through February 1938 settlement.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Summary of securities received by the Register of the Treasury on account of transactions during the fiscal year 1938—Continued

Security	Bearer		Registered	
	Pieces	Amount	Pieces	Amount
	Unissued stock retired			
Public debt securities:				
Pre-war and postal savings bonds	3	$1,500.00	31,215	$5,290,220.00
Liberty loans	1,107,539	768,862,500.00		
Treasury bonds	3	201,000.00	442	2,709,250.00
Treasury notes	90,269	542,214,100.00	225	No value
United States savings bonds			342,900	61,934,475.00
Treasury bills	24,110	1,322,117,000.00		
Certificates of indebtedness			3,709	No value
Interest coupons	4,538,585	411,932,467.46		
Other securities:				
Insular possessions loans			7,755	38,433,000.00
Home Owners' Loan Corporation:				
Bonds	28,975	155,889,525.00	36	43,036,000.00
Interest coupons	504,750	48,787,587.44		
Federal Farm Mortgage Corporation:				
Bonds	1,550	3,695,000.00	375	18,511,500.00
Interest coupons	258,246	14,893,348.27		
Consolidated Federal farm loans of the Federal land banks:				
Bonds	4,650	4,650,000.00	12	4,200.00
Interest coupons	301,394	9,141,095.53		
Federal home loan banks:				
Consolidated debentures	2,683	18,685,000.00		
Interest coupons	10,769	589,423.75		
Reconstruction Finance Corporation:				
Notes	20,460	1,718,512,500.00		
Interest coupons	43,096	45,457,758.18		
Commodity Credit Corporation notes	20,031	156,232,000.00		
Total	6,957,113	5,221,861,805.63	386,669	169,918,645.00
	Recapitulation			
Public debt securities:				
Pre-war and postal savings bonds	1,440	$414,920.00	46,035	$14,984,300.00
Liberty loans	1,155,676	795,167,100.00	5,716	3,477,150.00
Treasury bonds	405,793	1,645,202,050.00	85,130	275,372,400.00
Treasury notes	558,118	7,451,437,200.00	441	370,527,000.00
United States savings bonds			800,688	136,368,483.50
Adjusted service bonds			1,656,187	82,809,350.00
Certificates of indebtedness	419	1,044,550.00	3,990	909,965,000.00
Treasury bills	149,194	7,210,237,000.00		
Treasury (war) savings securities	58,493	82,101.16	1,990	29,713.30
First 3½% Liberty Loan interim certificates	20	2,350.00		
Interest coupons	13,031,259	937,800,271.14		
Other securities:				
Insular possessions loans	52	52,000.00	8,377	39,691,000.00
Home Owners' Loan Corporation:				
Bonds	376,042	866,362,000.00	2,188	137,912,000.00
Interest coupons	3,495,953	102,562,394.36		
Interest checks			11,280	6,460,637.50
Federal Farm Mortgage Corporation:				
Bonds	91,800	89,153,700.00	7,923	87,645,200.00
Interest coupons	1,291,401	35,762,394.25		
Interest checks			36,445	5,712,470.60
Consolidated Federal farm loans of the Federal land banks:				
Bonds	33,191	58,963,300.00	4,012	5,723,700.00
Interest coupons	1,089,765	31,322,928.21		
Interest checks			18,254	1,327,531.39
Federal Housing Administration:				
Mutual mortgage insurance fund debentures			83	142,469.61
Mutual mortgage insurance fund interest checks			139	6,066.10
Federal home loan banks:				
Consolidated debentures	14,398	54,651,000.00		
Interest coupons	23,103	948,797.50		
Reconstruction Finance Corporation:				
Notes	20,460	1,718,512,500.00		
Interest coupons	43,096	45,457,758.18		
Commodity Credit Corporation notes	29,870	307,419,000.00		
Total	21,869,543	21,352,555,314.80	2,688,878	2,078,154,472.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Division of Public Debt Accounts and Audit

This Division maintains administrative control accounts for all official transactions in the public debt conducted by the various Treasury offices and the Federal Reserve banks as fiscal agents of the United States, and also for transactions involving paper used for printing public debt and other securities, United States currency, stamps, etc., and miscellaneous securities and documents in the Bureau of Engraving and Printing. Also included in the administrative control accounts of this Division are transactions in bonds of the Home Owners' Loan Corporation and the Federal Farm Mortgage Corporation, in consolidated Federal farm loan bonds of the Federal land banks, in notes of the Commodity Credit Corporation, and in debentures of the Federal home loan banks and the Federal Housing Administration, conducted by the Treasury and Federal Reserve banks, similar to those in public debt securities. Numerous administrative audit functions are performed in connection with the foregoing. The Division maintains control accounts for various classes of unissued currency in reserve stocks of the Treasurer of the United States, and conducts administrative examinations and physical audits of such unissued stocks of currency and of cash balances in custody, and of collateral securities held in trust in the offices of the Treasurer of the United States.

During the fiscal year 154 physical audits were conducted, involving securities, currency, paper, interest checks, etc., amounting to about $50,000,000,000 in face value and 94,000,000 in number of pieces.

The Division determined and certified credits to the cumulative sinking fund and amounts in the sinking fund available for expenditure from time to time, interest on all classes of public debt securities and securities of various Government corporations and credit agencies which became due and payable on their respective interest-payment dates, and the amount of each form of such securities and unpaid interest outstanding each month. It prepared estimates of interest to become payable on public debt securities in future fiscal years, and of expenditures to be made on account of retirements for the sinking fund and other special accounts, and prepared statements showing the accountability of Federal Reserve banks for public debt and other securities for the use of Federal Reserve Board examiners in their periodical examinations of those banks. Numerous data pertaining to public debt and other transactions for various interested offices and individuals were also compiled.

Division of Paper Custody

The Division of Paper Custody receives from the contractors all distinctive paper used in printing public debt obligations, obligations of Government corporations and agencies, and paper currency of the United States, Cuba, and the Philippine Islands; issues such paper to the Bureau of Engraving and Printing against orders to print, and certifies to public vouchers in payment of the paper. The Division also maintains records of all receipts and issues of Federal Reserve notes stored in the Federal Reserve vault.

The following tables summarize the operations of this Division during the fiscal year 1938:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Receipts and issues of distinctive and nondistinctive paper, fiscal year 1938

Kind	Sheets			
	On hand July 1, 1937	Receipts	Issues	On hand June 30, 1938
Distinctive paper for United States currency and Federal Reserve notes, 12 subjects	21,628,221	90,469,997	101,441,312	10,656,906
Distinctive paper for United States bonds, etc.	3,744,347	2,439,402	3,211,663	2,972,086
Parchment, artificial parchment, and parchment deed paper	152,223	116,939	111,975	157,187
Miscellaneous paper	313,831	503,088	304,311	512,608
Distinctive paper for Cuban currency	15,233			15,233
Distinctive paper for Philippine Islands currency	563,583	1,022,000	746,608	838,975
Postal card for Philippine Islands	8,844		7,500	1,344
Total	26,426,282	94,551,426	105,823,369	15,154,339

Federal Reserve notes, series 1934, received and issued, fiscal year 1938

On hand June 30, 1937	$1,980,520,000
Received	2,446,620,000
Total	4,427,140,000
Issued	1,430,680,000
On hand June 30, 1938	2,996,460,000

There were no transactions during the year in Federal Reserve notes, series 1928, or in Federal Reserve bank notes, series 1929, of which $2,813,100,000 and $450,800,000, respectively, were on hand.

Destruction Committee

The following table summarizes the securities (including redeemed canceled currency) received from the various offices and destroyed by the Destruction Committee during the year:

Number and face amount of securities destroyed by the Destruction Committee fiscal year 1938

Office making delivery and items	Number of pieces	Face value
Division of Loans and Currency and Treasurer of the United States:		
United States notes	58,779,969	$243,430,600.00
Silver certificates	839,919,655	1,324,784,234.00
Gold certificates	530,903	12,260,550.00
Treasury notes	523	2,400.00
Fractional notes	3,530	783.22
Total	899,234,580	1,580,478,567.22
Comptroller of the Currency, national banks, and Federal Reserve bank agents:		
National bank notes	3,959,812½	52,322,525.50
Federal Reserve bank notes	751,590½	10,272,600.50
Federal Reserve notes	122,832,291	1,503,115,920.00
Total	127,543,694	1,565,711,046.00
Register of the Treasury:		
Principal pieces	5,385,570	6,122,490,842.57
Coupons	48,372,337	742,340,621.20
Total	53,757,907	6,864,831,463.77
Bureau of Internal Revenue: Miscellaneous stamps		48,421,600.20
Farm Credit Administration: Canceled coupons	3,272,240	99,102,096.25
Grand total	1,083,808,421	10,158,544,773.44
Division of Loans and Currency:		
For Bureau of Engraving and Printing—mutilated work	[1] 26,559,533	
For Division of Paper Custody—paper	[1] 155,285	
Interest checks	6,511	
Photostats	1,472	
Void coupons	11,394,450	
Total	38,117,251	

[1] Sheets.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

PUBLIC HEALTH SERVICE [1]

Public health work under the Social Security Act

Public health activities under the provisions of title VI of the Social Security Act are directed to the improvement of State and local health services through grants-in-aid to the States under the authority of section 601, administered by the Division of Domestic Quarantine, and to the investigation of disease and problems of sanitation, under the authority of section 603, administered by the National Institute of Health.

Section 601.—The outstanding features of the expanding national public health program under section 601 of the Social Security Act are the increase in both State and local appropriations stimulated by the Federal grants-in-aid, the increase in the number of industrial hygiene units in the State departments of health, the extension of rural health services, and the increase in the number and the improvement in qualifications of the technical and professional personnel engaged in State and local health work. Prior to 1936 only 4 States had established industrial hygiene units, whereas since that date 20 States have set up such units and 6 have begun limited activities under the State health departments.

With the sum of $1,116,656, carried over from the preceding year, added to the appropriation of $8,000,000 for 1938, the total amount available for allotment among the several States for public health work under the provisions of section 601 was $9,116,656. The amount actually paid to the States, on the basis of budgets submitted by the State health departments and approved by the Surgeon General, was $8,908,715, which left a balance of $207,941 to be added to the appropriation for the fiscal year 1939. It should be noted that the States were able to utilize a much larger amount of the available fund than was the case the year before.

The following table shows the amounts allotted to each State, the District of Columbia, Alaska, and Hawaii for the fiscal year 1938:

Allotments to States under section 601 of the Social Security Act, fiscal year 1938

States, etc.	Total payment	States, etc.	Total payment
Alabama	$289,941.00	Nebraska	$57,833.75
Alaska	34,848.00	Nevada	29,065.00
Arizona	62,408.00	New Hampshire	45,564.00
Arkansas	195,324.00	New Jersey	205,467.00
California	316,836.00	New Mexico	87,976.00
Colorado	94,951.00	New York	661,120.00
Connecticut	103,040.00	North Carolina	335,542.00
Delaware	33,608.00	North Dakota	63,133.25
District of Columbia	67,545.00	Ohio	369,364.00
Florida	128,317.00	Oklahoma	226,502.00
Georgia	303,400.00	Oregon	87,934.00
Hawaii	64,784.00	Pennsylvania	432,703.00
Idaho	71,756.00	Rhode Island	60,227.00
Illinois	346,068.00	South Carolina	208,776.00
Indiana	169,840.00	South Dakota	80,170.00
Iowa	192,952.00	Tennessee	288,391.00
Kansas	104,620.00	Texas	413,763.42
Kentucky	248,501.00	Utah	67,173.00
Louisiana	189,446.71	Vermont	46,172.50
Maine	71,166.00	Virginia	232,174.00
Maryland	136,086.00	Washington	126,637.00
Massachusetts	236,471.00	West Virginia	157,816.00
Michigan	292,142.00	Wisconsin	184,197.00
Minnesota	200,054.00	Wyoming	23,639.00
Mississippi	208,433.00		
Missouri	210,247.00	Total	8,908,714.63
Montana	44,590.00		

[1] More detailed information concerning the activities of the Public Health Service is contained in a separate report of the Surgeon General.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The purposes for which the States budgeted the allotments during the fiscal year 1938 are shown in the following table:

Purposes for which allotments under section 601 of the Social Security Act were budgeted by the States, fiscal year 1938

Purpose	Number of States	Amount [1]	Percent
Local health services	45	$4,022,735.30	37.66
Preventable disease control:			
Venereal diseases	43	$868,105.60	
General	39	337,831.98	
Tuberculosis	24	278,790.84	
Malaria	10	134,510.86	
Pneumonia	8	118,695.72	
Trachoma	4	34,863.00	
Cancer	5	30,313.72	
		1,803,111.72	16.88
Training	51	1,583,656.93	14.82
Sanitary engineering	47	563,189.65	5.27
Promotion and supervision of local health services	36	542,438.45	5.08
Laboratory	42	499,919.79	4.68
Industrial hygiene	25	430,906.25	4.03
General administration	49	415,403.73	3.89
Vital statistics	35	212,925.67	1.99
Public health nursing	24	157,596.25	1.48
Health education	26	142,343.27	1.33
Food and drugs	5	73,185.28	.69
Oral hygiene	9	72,115.00	.68
Rodent plague	5	69,238.00	.65
Medical aid to transients	1	33,017.50	.31
Maternal and child health	6	23,619.16	.22
Survey of health conditions among transients	13	21,669.63	.20
Mental hygiene	1	15,380.00	.14
Total		10,682,451.58	100.00

[1] Includes balances carried forward from preceding year.

During the year special consultant services on dental health work and laboratory activities were added to the consultant service being rendered to the States by district medical officers and public health nurses of the Public Health Service on problems of general organization and administration. Steps were taken also to extend the services of the district engineers of the Public Health Service in the rendering of expert advice to the State health departments on problems of environmental sanitation.

Seven medical officers were detailed to the States of Mississippi, Tennessee, West Virginia, and Maryland, to serve temporarily as county health officers during the year. Officers were also detailed at the request of State health authorities to serve as special advisers on problems of organization and administration in Texas, Kentucky, Iowa, Pennsylvania, Illinois, and Ohio.

The cooperative work of the Division of Venereal Diseases with State and local health departments was expanded under the provisions of section 601. A discussion of the activities of this Division will be found on page 224 of this report.

Section 603.—In order to carry out the provisions of section 603 of the Social Security Act, an appropriation of $1,600,000 was made to the Public Health Service for investigation of disease and problems of sanitation and for various administrative expenses. Of this amount $886,369 was allotted to the National Institute of Health to be used for studies of infectious diseases, chemistry, pharmacology, industrial hygiene, public health methods, pathology, cooperative measures, and activities connected therewith. This work is carried

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

on in connection with the regular work of the Institute, a discussion of which will be found on page 221.

Division of Sanitary Reports and Statistics

The Public Health Service continued its important function of collecting and disseminating general information and statistical data regarding health conditions and the prevalence of communicable diseases in the United States and foreign countries. This information was summarized and published weekly in the Public Health Reports. In accordance with provisions of law, these reports are made available to public health officers, sanitarians, and libraries throughout the United States.

Health conditions, as interpreted from the death rate, remained unusually favorable throughout the calendar year 1937, with a preliminary death rate of 11.2 per 1,000 estimated population compared with 11.5 in 1936. The downward trend of tuberculosis mortality was resumed in 1937, after a break in 1936. Decreases, as compared with 1936, were recorded in the death rates for typhoid fever, scarlet fever, diphtheria, malaria, pellagra, diseases of the digestive system, nephritis, and diseases associated with pregnancy and childbirth. The maternal mortality rate for 1937 was 13 percent less than that for 1936. On the other hand, little change was noted in the death rate for meningitis, diabetes, cerebral hemorrhage, heart disease, pneumonia, and accidents. Mortality from encephalitis, measles, whooping cough, influenza, poliomyelitis, and cancer was higher than in 1936. Owing to epidemics of influenza and poliomyelitis during 1937, the death rate for each of these diseases was the highest recorded during the past 5 years. A total of 11,673 cases of smallpox was reported in 1937, the largest number since 1931. For the first 6 months of the calendar year 1938, the number of cases of smallpox exceeded that for the entire year of 1937.

Through the Office of Health Education, established in 1935, considerable progress was made in popularizing health educational publications. The monthly publication, The Health Officer, first issued in 1936, continued to serve for the exchange of information of interest to State and local health officers and health workers in the field.

Division of Domestic Quarantine

This Division continued its duties in administering section 601 of title VI of the Social Security Act, details of which are given on page 216, its work in connection with the enforcement of the interstate quarantine regulations, and cooperative activities with the States in sanitation and the prevention of the spread of epidemic diseases.

Public health engineering.—Requests from Federal, State, and other agencies, interested in water pollution abatement, for consultant and advisory services from the Office of Stream Sanitation are increasing materially. Considerable work was carried out in cooperation with the National Resources Committee in connection with a revision of the drainage basin project lists compiled following the drainage basin studies made throughout the United States in the summer of 1936.

In the maintenance of supervision over water supplies used for drinking and culinary purposes by common carriers in interstate

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

traffic, 2,090 of the 2,225 supplies reported by such carriers were inspected, with the cooperation of the State health departments, and 4,048 certificates were issued following these inspections. Upon the recommendation of the State health officers, 66 supplies were prohibited from use because of the lack of sanitary safeguards against potential hazards to health involved in the use of these particular supplies.

General sanitary inspections were made of 268 coach yards, 285 watering points and terminals, and 250 dining cars and commissaries. During the year the procedure for the certification of water supplies used for drinking and culinary purposes by common carriers was extended to provide for inspections by the State health authorities of the sanitary methods employed by the carrier companies in handling the water on their properties, in addition to inspections of the water supply systems delivering the water supplies to the carriers.

Following inspections with regard to the sanitation of vessels, favorable certificates were issued to 1,248 vessels, or 60 percent of the 1,816 vessels coming within the scope of the Interstate Quarantine Regulations; and "not approved" certificates were issued to 12 vessels. On the basis of affidavits from the shipmasters that the vessels were complying with the regulations, temporary certificates were issued to 422 vessels which could not be reached. Plans for the water supply systems of 22 new vessels were received for review and approval. A total of 833 water samples from vessels operating in the Great Lakes and inland rivers was examined bacteriologically.

During the year, 1,974 certificates of interstate shippers issued by producing States were endorsed by the Public Health Service and included in the semimonthly published lists of shellfish growers and shippers of States where control measures are satisfactory. Inspections were made of 540 shucking and packing plants and 26 growing areas to determine the efficiency of State control. It was necessary to continue withholding endorsement of the certifications of one State.

Reciprocity with Canada was carried on in connection with certification of water supplies of common carriers in international service and the issuance of certificates to shippers of shellfish.

Cooperation with other Federal agencies.—There was a considerable increase in cooperative assistance furnished to various Federal agencies on public health engineering matters by the engineering personnel of this Division. Federal construction programs and emergency relief activities have brought about an increase in requests for assistance of this kind. The National Park Service and the Office of Indian Affairs of the Interior Department continued to rely upon the Public Health Service for technical assistance in connection with the sanitation of the National Parks and the Indian reservations. The District of Columbia and the United States Lighthouse Service of the Department of Commerce received considerable assistance as well as the Coast Guard Service, particularly in the Great Lakes region.

It has been estimated that approximately 34.5 percent of the time of the engineering personnel was devoted to cooperative assistance to 24 Federal bureaus or subdivisions during the year. With this type of service constantly increasing, the work of the personnel is being extended so that it is not always possible to furnish without delay the assistance requested.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The detail of medical officers to serve as advisers to the Farm Security Administration and the Public Assistance Division of the Social Security Board was continued.

Works Progress Administration projects.—The Public Health Service continued its assistance to the Works Progress Administration and the State health departments by providing technical supervision of projects for the employment of work relief labor on the construction of sanitary out-door toilets in unsewered areas of small communities. Projects were operated in 39 States. The work covered an average of 1,162 counties throughout the year and furnished employment for an average of 18,624 men. A total of 470,000 new sanitary units was constructed and 21,200 old toilets were restored to sanitary condition. More than 1,774,600 sanitary units have been installed in unsewered areas of small communities since this program was inaugurated.

Technical supervision for the Works Progress Administration malaria control drainage program was continued. Approximately 2,686 miles of average size ditch were constructed, and an average of 19,029 men was employed on the projects during the year.

For the purpose of reducing the pollution of streams caused by acid mine waste waters, the Public Health Service, in cooperation with several State health departments, continued to provide the technical supervision on projects for the sealing of abandoned bituminous coal mines. At the close of the year, work was in progress in 86 counties, with the employment of an average of 4,800 men. Since the beginning of the program, 3,300 mines have been sealed, involving the closure of more than 100,000 openings. The amount of acid prevented from reaching streams by this work is estimated at 610,000 tons annually, and the amount that will be excluded from streams by work now in progress is estimated to be 317,000 tons annually.

A series of reports covering the inspections of the plumbing facilities of Federal buildings in New York, N. Y., and Detroit, Mich., which had been made under a Works Progress Administration project during the period May 1936 to June 1937, were prepared and transmitted to the governmental agencies concerned for their information and guidance. A summary report was issued in multilith form for general distribution and was reprinted either in whole or in part by a number of plumbing trade journals.

Division of Foreign and Insular Quarantine

In spite of the widespread prevalence of quarantinable diseases throughout the world, and the occurrence of several unusually severe epidemics of such diseases, no cases were imported into the United States or its insular possessions during the year. Quarantinable disease arrived at only two ports, New York and Honolulu, one case of smallpox reaching each place. In both instances effective measures, instituted at quarantine, prevented the spread of the disease. Strict precautionary measures were enforced at all United States ports, especially at those on the West Coast, where it was necessary to conduct intensive examinations in order to prevent the entrance of cholera carriers from the Orient.

During the year, 15,873 vessels, carrying 789,591 passengers and 1,196,688 seamen, were inspected by officers of the Service, and 1,004

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

vessels were fumigated. Examinations for plague infection which were made of 5,399 of the 7,659 rats recovered following fumigation revealed no infected rats.

The granting of radio pratique to vessels entering the harbors of New York and Boston produced such satisfactory results, both from the standpoint of the Service and of the shipping interests involved, that the system was extended during the latter part of the year to Los Angeles and San Francisco.

An increase in the prevalence of yellow fever in South America required the institution of additional control measures to prevent the introduction of the disease into the United States by aircraft. The most important of the preventive measures were the establishment of an *Aëdes aegypti* control unit at Miami, Fla., and the extension of the program for the immunization of aircraft-operating personnel.

Inspections for quarantine and immigration purposes were made at United States airports of entry of 1,784 airplanes, carrying 23,172 passengers, of whom 6,730 were aliens.

The United States Quarantine Regulations were amended during the year to provide that no living disease organism or vector shall be imported into the United States except under special permit issued by the Surgeon General.

Examination of 2,447,339 alien passengers and 805,306 alien seamen by medical officers of the Service at United States ports resulted in the certification to immigration officials of 20,372 passengers and 1,438 seamen as being afflicted with some mental or physical defect or disease.

Unsettled conditions in Europe caused an increase of 35.81 percent in the number of aliens examined there during the year as compared with the preceding year. Public Health Service officers stationed in American consulates in foreign countries examined 65,261 applicants for immigration visas, 45,790 in the Eastern Hemisphere and 19,471 in the Western Hemisphere. Certifications for affliction with one or more of the defects or diseases requiring exclusion were made of 918 of those examined in the Eastern Hemisphere and 119 of those examined in the Western Hemisphere, while 8,438 of those examined in the Eastern Hemisphere and 2,538 of those examined in the Western Hemisphere were reported as being afflicted with a disease or condition which was likely to affect their ability to earn a living. Certification for affliction with a condition requiring deportation was made of only one of the aliens arriving in the United States from foreign ports at which they had undergone preliminary medical examinations.

National Institute of Health

The ultimate purpose of research in the field of public health is to produce practical results, either in basic epidemiological knowledge or in methods of prevention and control, useful in the efforts to combat disease and to improve the health of the people. Summaries of the more significant activities and accomplishments during the year in the scientific work of the various divisions are given in the following paragraphs.

Division of Biologics Control.—It was found that the stability of neoarsphenamine is affected by the age of the product and by the amount of moisture retained. When containing not more than 1.5

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

percent volatile material, the product may be expected to remain stable for three years when stored at a temperature slightly less than 20° C.

The inspection of establishments manufacturing biologic preparations and the routine testing of products, as provided in the act of July 1, 1902, proceeded without incident. Licenses to engage in interstate trade in these products are held by 61 concerns, of which 14 are foreign establishments. The licenses cover 166 different preparations.

Division of Chemistry.—In connection with the problem of removing fluorides from drinking water, it was found that fluoride can be removed by treatment with magnesium oxide in a manner which gives promise of economical development. Studies on ascorbic acid in plants have shown that light has a striking effect on the accumulation of this acid in the roots, as well as in the leaves of plants. This finding is viewed as important in connection with nutritional investigations. Other investigations were directed to the chemistry of enzymes and carbohydrates.

Division of Industrial Hygiene.—In the first series of investigations concerning lead arsenate, undertaken in view of the large amounts used as an insecticide spray, 100 milligrams of lead arsenate were ingested by two research workers over a period of 10 days; it was found that the greater part of the lead was excreted with the feces and that the arsenic was excreted in the urine. Further studies of selenium point to its significance as an industrial hazard in the manufacture of ceramics, paint pigments, special steel, copper alloys, and rubber specialties. As a result of extensive observations embracing surveys of prevalence and methods of prevention, the conclusion has been reached that chronic industrial mercurialism is preventable with good engineering and medical control; sanitary environment of workers engaged in the industries using mercury forms the basic means for prevention.

Other investigations in industry pertained to dust hazards, fatigue, illumination, sickness among employees, dermatoses, and the dangers to which workers in lead and manganese products are subjected.

Division of Infectious Diseases.—Epidemiological studies have disclosed the fact that rheumatic heart disease is exceeded as a cause of death only by tuberculosis, pneumonia, and syphilis. It caused more deaths in persons under 20 years of age than whooping cough, measles, meningococcic meningitis, diphtheria, scarlet fever, and poliomyelitis combined. Data on 104,163 college students showed an incidence rate of 11.6 per thousand. In this connection the Public Health Service has pointed out that an unwarranted diagnosis of heart disease may seriously affect a student's career both in college and in later life.

Weil's disease, hitherto considered a tropical malady, has been found to be endemic in the United States. Cases were diagnosed in New York, Michigan, Pennsylvania, South Carolina, West Virginia, Texas, Iowa, and Florida. Although the mortality is low, recently acquired knowledge regarding illness from this infection and its wide prevalence mark the disease as a new public health problem of considerable importance in this country.

Investigations of leprosy in continental United States have revealed that only in some parts of certain of the States bordering on the Gulf

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

of Mexico does the disease show any notable tendency to spread, and even in individual States there are striking limitations of areas of communicability. Cases in New York, Philadelphia, and Chicago have all been traceable, with but a single exception, to infection acquired elsewhere.

Cases of Rocky Mountain spotted fever have been reported from a considerable number of new areas. A largely increased amount of preventive vaccine was distributed during the year.

Poison-dusting by airplane for the control of mosquitoes has been demonstrated to be practical and economical. Based on experiments in the central South, investigators estimate the cost, including paris green, at $0.367 per acre. This item covers the pay of the most efficient personnel and cost of the best equipment.

Additional research was given to ascertaining new facts concerning the etiology and control of the rickettsial diseases such as Rocky Mountain spotted fever and endemic typhus, virus diseases including encephalitis and choriomeningitis, relapsing fever, tularaemia, whooping cough, Chagas' disease, hemolytic streptococci, staphylococci, diseases caused by fungi, conditions influencing the prevalence of tuberculosis, and fundamental problems of immunity.

Division of Pathology.—During the year 2,377 surgical specimens were examined for governmental agencies, and material from 287 autopsies was received. In connection with this service studies are being made on pinworm infestation of the appendix and the incidence of various types of tumors in man. In experimental pathology studies were made of material from 1,425 animal autopsies. An investigation of the pathologic histology of vanadium poisoning was completed.

Division of Pharmacology.—In an effort to obtain some information on the chemical nature of selenium in foodstuffs, experiments were made which led to the observation that selenium can be separated under suitable conditions quantitatively from its protein combination in grain by certain oxidizing agents. Functional studies in chronic selenosis indicate lack of consistent evidence as to diminution of gastric acidity.

Considerable attention was given to bacterial chemotherapy with a view to evolving methods of treating bacterial diseases by the injection of chemical compounds into the blood or tissues instead of the usual administration of drugs by mouth.

Division of Public Health Methods.—Major emphasis has been placed on the analysis of the information obtained in the national health survey begun during the fiscal year 1935. This survey included a study of sickness and medical care among 800,000 families in 19 States and a study of the personnel and facilities available for the provision of health and medical services. The quantitative information on unmet health needs revealed by these studies formed the basis of the national health program recently submitted to the President by the Interdepartmental Committee to Coordinate Health and Welfare Activities. Data from the survey are available in a series of reports by the Public Health Service and in the reports of the Interdepartmental Committee.

Dental defects of children, which constitute one of our most serious health problems, were studied among 4,400 elementary school children in a small city in Maryland. The inadequacy of dental care among these children was shown by the fact that caries defects occurred in

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

permanent teeth at about six times the rate at which fillings were being placed.

Other features of divisional work comprised researches on the health of transients, health education, child hygiene, pollution of streams, and milk in relation to public health.

Division of Zoology.—Investigations of trichinosis indicate an incidence of 17 percent in the United States, that is, an astounding infection rate of one person in every six. Prevalence is low in the South, high along the North Atlantic coast and the southern part of the Pacific coast, and intermediate elsewhere. The most feasible plan for control appears to be State regulation of the garbage-feeding of swine.

Investigations of oxyuriasis covered approximately 3,300 persons, of whom 2,250 were in the general population of Washington, D. C., and showed an incidence of 40 percent. Studies to date indicate an incidence in white persons of 3 to 4 times greater than in Negroes.

National Cancer Institute.—Organization of the Institute was completed during the year in accordance with the act approved August 5, 1937, and the Institute functions as a division of the National Institute of Health. Fifteen grants-in-aid were made, 12 research fellowships awarded, and 17 young physicians were appointed to receive training in the diagnosis and treatment of cancer at approved training centers. Steps were taken to secure 9½ grams of radium, to be distributed as loans to responsible centers for the purpose of giving relief to present day cancer sufferers.

Eight research projects were launched. These relate to cell growth and differentiation, synthesis of carcinogenic agents, inhibition of tumor growth, production of malignant cells in vitro, the influence of anterior pituitary hormones on tumor growth, therapeutic studies, and an epidemiological study of lung cancer.

Division of Venereal Diseases

The national movement to curb the venereal disease menace gained momentum during the year. The program for the control of syphilis and gonorrhea sponsored by the Public Health Service was endorsed by a number of national organizations and by many clergymen and churches. A number of State assemblies passed laws requiring blood tests for syphilis of applicants for marriage licenses and of expectant mothers. Many States and localities intensified their efforts against syphilis and gonorrhea and requested assistance in developing their venereal disease control programs in accordance with the basic principles formulated by the Advisory Committee to the Public Health Service. In order to meet these many requests for assistance, especially trained commissioned officers were assigned as regional venereal disease control officers. National legislation to aid in the control of syphilis and gonorrhea was sponsored by health authorities, organized medicine, and leaders in social and political fields. The Venereal Disease Control Act, enacted May 24, 1938, imposes additional duties on the Public Health Service and provides for Federal funds to be allotted to the States. The sum of $3,000,000 was appropriated for the fiscal year 1939 to carry out the provisions of this act.

In cooperation with five of the leading clinics in the United States, studies for the purpose of improving present day methods in the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

diagnosis, treatment, and control of syphilis were continued. A group of specialists was organized for the purpose of conducting a cooperative study looking toward improvement of present day methods in the diagnosis, treatment, and control of gonorrhea. Surveys on incidence and prevalence of syphilis and gonorrhea were continued, and a tentative mechanical system for reporting morbidity, treatment-progress, and control of venereal diseases was devised.

In accordance with the recommendations of the committee on evaluation of serodiagnostic tests for syphilis, a comparative study of the performance of such tests in State laboratories was conducted. Forty-six laboratories representing forty-four States and the District of Columbia participated in this study. In order to maintain necessary standards in the performance of laboratory tests and to provide a system of periodical checking of State laboratories, the facilities at the venereal disease research laboratory at Stapleton, N. Y., were taxed to the utmost. Scientific studies of potential value in further increasing our knowledge with reference to diagnosis, treatment, and control of syphilis and gonorrhea were conducted at the Stapleton laboratory and at the syphilis research center, Johns Hopkins Hospital, Baltimore, Md.

Studies pertaining to certain phases of the venereal diseases were conducted in cooperation with a number of medical centers and institutions which had developed special facilities for investigations of these particular problems.

The Public Health Service Medical Center at Hot Springs, Ark., served an important function in preventing the inter-State spread of venereal diseases by providing treatment for 6,209 indigent persons, 59 percent of whom were infected with a venereal disease in a communicable stage.

In 1935 the Transient Bureau of the Federal Emergency Relief Administration constructed a camp for transients near Hot Springs and the Public Health Service cooperated in the treatment of those transients who were infected with the venereal diseases. When the transient activities of the Federal Government were discontinued the Administrator of the Emergency Relief Administration in Arkansas agreed to make available during the fiscal year 1937 a sufficient amount from balances remaining from former Federal relief grants to the State of Arkansas for the continuation of this camp as an infirmary solely for the care of totally indigent patients infected with syphilis and gonorrhea. Full administrative responsibility for this service was turned over to the Public Health Service. This arrangement was continued until September 1, 1937, when under the Third Deficiency Appropriation Act, approved August 25, 1937, $163,266 was transferred from unobligated balances of funds heretofore allocated to the Federal Emergency Relief Administration to the Treasury Department, Public Health Service, for the maintenance and operation of the infirmary for the remaining ten months of the fiscal year 1938.

Division of Marine Hospitals and Relief

The splendid service afforded beneficiaries of the Public Health Service at its marine hospitals and other relief stations continued to improve. This was made possible through the addition of more personnel, the purchase of approximately $300,000 worth of new

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

equipment, the addition of new drugs, notably sulfanilamide, to the armamentarium, and the initiation of new methods of treatment. As a result, there was a decrease in the number of hospital days' relief furnished per patient, even though there was an increase in the number of inpatients admitted. Seamen still constitute the most numerous class of patients. By the act of July 30, 1937, dependent members of families of officers and enlisted men of the Coast Guard, retired list included, were added to the list of beneficiaries, being granted the privilege of receiving inpatient treatment at first class stations at a per diem cost. This necessitated providing additional facilities for the care of women and children and likewise widened the scope of treatment rendered and of operations performed.

The Public Health Service continued to cooperate with other Government departments in Washington in furnishing emergency medical relief to employees and supervising 19 medical relief units in the Treasury Department and other agencies.

A daily average of 5,491 inpatients and 4,002 outpatients received treatment at the marine hospitals and other relief stations. A total of 60,403 inpatients were furnished 2,004,154 days treatment in hospitals, as compared with 59,722 inpatients and 2,041,114 hospital days last year. The per diem cost of operation was $3.56.

After nearly three-quarters of a century, the method of admitting insane beneficiaries of the Public Health Service to St. Elizabeths Hospital had to be changed. Since 1875 the act of Congress authorizing admission had been construed as not requiring judicial proceedings; but the United States Court of Appeals for the District of Columbia held that such patients must be adjudicated insane, and, therefore, future admissions of Public Health Service beneficiaries will be effected on a commitment basis.

Division of Mental Hygiene

Follow-up studies, at the Public Health Service Hospital at Lexington, Ky., of the mental and physical deviations of patients during the period subsequent to the withdrawal of the drug of addiction have served to strengthen previous impressions that addicted patients do not tend to become normal until 7 months have elapsed following the withdrawal of narcotics.

The data obtained from the system of recording objective abstinence symptoms in chronic opium poisoning, inaugurated during the preceding year, were analyzed and the method was applied to evaluate several systems of treatment for the so-called "withdrawal stage." The results thus far indicate that systems of treatment for which specificity is claimed have no real value in reducing the severity of symptoms. According to the experiences obtained at the Public Health Service Hospital at Lexington, Ky., the best method for treating the withdrawal state of opium addiction is the application of palliative measures along with rapid withdrawal of the drug.

Studies of electro-encephalograms recorded on normal nonaddicted individuals, on addicts stabilized on morphine, and on addicts stabilized on substitute drugs, indicate that significant changes occur in the electrophysiology of the brain when an individual becomes addicted to narcotic drugs, and there is evidence of difference in the bio-electric phenomena with various narcotic drugs used. In the application of a

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

point rating scale used in evaluating certain psychiatric changes occurring in addicts when stabilized on drugs and during and following their withdrawal, it was found that an individual who appears physiologically stable when receiving certain morphine doses is not necessarily stable from a psychiatric or emotional point of view. The evidence indicates that it requires more than a stabilizing dose to produce emotional tranquillity, and that certain narcotic drugs are more likely to produce this feeling which the addict desires than are others.

Studies also included an intensive investigation of the physical, chemical, psychological, and psychiatric changes resulting from single therapeutic doses of morphine, from repeated doses of morphine used when necessary during the course of the routine care of patients when addiction must be stabilized, and during that period subsequent to the withdrawal of the drug of addiction. Definite evidence was obtained that strong dependence is associated with a blood hydration, that the abstinence syndrome is accompanied by relative blood dehydration, from which the patient recovers by the 8th or 10th day, and that normal concentration is not regained for many months. A valuable contribution to the experimental field was the development of a test for morphine in biological materials which is applicable to excretion studies in human beings.

Psychological evidence suggests that there is degeneration of addicts but that those addicted for long periods of years do not show a greater degree of degeneration than those addicted for shorter periods. The correlation and coordination of these studies is thought to be important and necessary for formulating a more rational form of treatment.

Investigations regarding the habit-forming properties of certain derivatives of opium as possible substitutes for morphine were continued during the year, and studies were completed on the addiction liability of several new compounds. A thorough re-examination of the addiction liability of codeine was undertaken and arrangements were made to study certain synthetic compounds which, because of their pharmacological effect, do not lend themselves to the same methods of substitution previously employed.

Dr. Lyndon F. Small, consultant in alkaloid chemistry to the Public Health Service, was granted letters patent covering a process for obtaining "Ethers of Morphine and Dihydromorphine and their Respective N-Oxides" which he evolved in his efforts to obtain a substitute drug for morphine. This patent was assigned by Dr. Small to the United States Government, represented by the Secretary of the Treasury.

The United States Public Health Service Hospital, Lexington, Ky., designed to accommodate 1,000 patients, operated at approximately full capacity during the year, with an average daily patient population of 949, total admissions 950 (225 voluntary), and 955 discharges, 636 of whom were discharged as cured. A follow-up system for prisoner patients inaugurated during the year revealed that 347 former patients, representing 15.8 percent of the total number of patients discharged since the opening of the institution, had relapsed to the use of narcotics, and that 72 others had been arrested for drug law violations and other crimes but had not relapsed. Of the combined total, 316 have been returned to this hospital for further treatment of drug addiction or as parole or conditional release violators.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Construction of the initial group of buildings for the United States Public Health Service Hospital (second Narcotic Farm), Fort Worth, Tex., has been completed, and a medical officer has been detailed in charge of this institution. It is anticipated that the hospital will be ready to receive patients in October 1938.

The Public Health Service continued the work of supervising and furnishing the medical and psychiatric services for the Federal penal and correctional system, comprising 19 medical units in connection with the various institutions under the control of the Department of Justice, an additional medical unit having been provided for the new Federal jail at Terminal Island, Calif.

Psychiatric diagnostic service for United States courts was continued during the year at the Federal district courts located in Boston, New York City, Philadelphia, Baltimore, Denver, Detroit, and Kansas City, Mo., and was extended to the Federal district courts located in Atlanta, Pittsburgh, and Minneapolis. During the year 107 persons brought before these Federal courts, charged with crimes against the United States, were given psychiatric examinations, and 14 of those examined were hospitalized for further observation.

The study of mental hospital conditions in the several States was continued during the year by the Mental Hospital Survey Committee, a cooperative committee composed of one or more representatives of national medical and psychiatric associations and organizations, including the Public Health Service, the object being to bring about improvement in and standardization of facilities and policies for the care of the mentally ill and to improve facilities for instruction in the psychiatric field.

A new law governing insanity proceedings in the District of Columbia became effective in June 1938, whereby the mandatory jury trial required for the commitment of a person to a mental hospital was abolished. This change in procedure was effected pursuant to recommendations made after a survey and study by the Public Health Service of the facilities and procedures for the care of the mentally ill in the District.

Division of Personnel and Accounts

Personnel.—On June 30, 1938, the regular commissioned corps of the Public Health Service consisted of 421 commissioned officers and 91 reserve officers on active duty. Other personnel of the Service totaled 6,950, not including 5,851 collaborating and assistant collaborating epidemiologists, who served at nominal compensation and who were for the most part officers or employees of State and local health organizations, and 522 emergency employees appointed under the Works Progress Administration.

Financial statement.—Following is a statement of appropriations and funds made available to the Public Health Service and the expenditures therefrom for the fiscal year 1938:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Statement of funds made available to the Public Health Service and expenditures for the fiscal year 1938

Source of funds	Amount	Repayments and transfers	Total available	Obligations	
				Direct	Transfer to other appropriations
APPROPRIATIONS					
Salaries, Office of Surgeon General	$316,000	$7,153	$323,153	$322,915	
Pay, etc., commissioned officers	1,820,000	222,414	2,042,414	2,041,832	
Pay of acting assistant surgeons	340,200		340,200	305,310	
Pay of other employees	1,000,000		1,000,000	976,855	
Freight, transportation, etc	25,450		25,450	22,490	
Maintenance, National Institute of Health	64,000		64,000	63,490	
Pay of personnel and maintenance of hospitals	6,150,000	1,051,500	7,201,500	7,078,077	
Quarantine service	331,250		331,250	300,268	
Preventing the spread of epidemic diseases	280,000		280,000	238,904	
Interstate quarantine service	36,500		36,500	32,782	
Control of biologic products	55,000		55,000	54,533	
Maintenance, National Cancer Institute	400,000		400,000	399,857	
Expenses:					
Division of Venereal Diseases	80,000		80,000	71,913	
Division of Mental Hygiene	647,580		647,580	642,421	
Educational exhibits	1,000		1,000	744	
Grants to States, Social Security Act, sec. 601	8,000,000	1,116,656	[1] 9,116,656	8,908,715	
Diseases and sanitation investigations, Social Security Act, sec. 603	1,600,000	22,911	1,622,911	1,295,021	$203,302
Appreciation of foreign currencies		28,000	28,000	27,700	
Expenses, Division of Mental Hygiene, 1938-39		170,000	170,000	11,878	
Total	21,146,980	2,618,634	23,765,614	22,795,705	203,302
OTHER AVAILABLE FUNDS					
Medical and hospital service, penal institutions (Department of Justice)	479,092		479,092	469,918	7,333
Mosquito control (District of Columbia)	4,100		4,100	3,792	
Greater Texas and Pan American Exposition	[2] 3,000		[2] 3,000	1,876	
Emergency Relief (act 1937), health survey	316,713		316,713	315,275	
Emergency Relief (act 1935), Hot Springs, Ark	163,266		163,266	156,023	
Total	966,171		966,171	946,884	7,333
Grand total	22,113,151	2,618,634	24,731,785	23,742,589	210,635

[1] $207,941 of this amount available for expenditure in 1939.
[2] $1,095 of this amount returned to master account January 13, 1938.

The status of the working capital fund of the Public Health Service hospitals for treatment of drug addiction is as follows:

Balance July 1, 1937	$34,293
Earnings	69,590
Total available	103,883
Expenditures	56,441
Balance June 30, 1938	47,442

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The revenues derived from operations of the Public Health Service during the year and covered into the Treasury as miscellaneous receipts were as follows:

Source	Amount
General fund receipts:	
Quarantine charges	$211,713.93
Hospital charges and expenses	57,989.65
Sale of subsistence	15,269.31
Sale of occupational therapy products	579.59
Sale of obsolete, condemned, and unserviceable equipment	17,596.01
Rents	5,698.80
Reimbursement for Government property lost or damaged	623.77
Commissions on telephone pay stations installed in Service buildings	2,155.99
Sale of refuse, garbage, and other byproducts	3,297.01
Sale of livestock and livestock products	1,138.40
Other revenues	2,273.05
Total	318,335.51
Trust fund receipts:	
Sale of effects of deceased patients	2,402.55
Inmates' fund	34,435.14
Grand total	355,173.20

DIVISION OF RESEARCH AND STATISTICS

The Division of Research and Statistics in the Office of the Secretary serves as a research staff for the Secretary and other Treasury officials on matters relating to fiscal operations and policies, the estimated volume and source of future revenues, actuarial considerations involved in certain Treasury functions, and various general economic problems arising in connection with Treasury activities.

Estimates of Federal receipts from internal revenue taxes and from customs duties under existing laws are prepared for the Bureau of the Budget for use in all regular and interim Budget reports, and for such other purposes as may be required. Special revenue estimates are prepared for Treasury officials and for Congressional committees working on tax legislation.

The effects of actual and proposed fiscal operations on the credit structure and general economy of the country are analyzed and long-range trends are appraised. Current and prospective conditions in the money and capital markets are studied in relation to both longer-term programs of Federal financing and to the types of securities, the coupon rates, and maturities to be employed in particular financing operations. The investment portfolios of Government trust funds and of governmental corporations and credit agencies are analyzed for the purpose of recommending changes which appear advantageous. Studies are made of existing laws and of legislative proposals in their relation to Treasury financing and Federal fiscal policies.

Reports are prepared on the actuarial status of the old-age reserve account established under the Social Security Act and of other pension and trust funds for which the Treasury is responsible. In connection with retirement legislation, estimates are made of probable cost of existing and proposed plans. Other actuarial analyses are made as required. The Government Actuary, who is on the staff of the Division, is a member of the Board of Actuaries, established under the Civil Service Retirement Act, and serves in a consulting capacity on actuarial matters for governmental agencies outside the Treasury Department.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

In addition to the preparation of memoranda and reports for the confidential use of Treasury officials, the Division performs research services of a general nature, including the preparation of replies to inquiries from outside the Treasury for information of a more or less technical nature, the preparation of publications within the field of its activities, the partial preparation and editing of the Annual Report of the Secretary, and the review of other Treasury publications of an economic or statistical nature.

DIVISION OF SAVINGS BONDS

The main function of the Division of Savings Bonds is to promote the sale of United States savings bonds. The division creates and designs its advertising and publicity material and maintains a statistical and mailing unit which distributes all literature and keeps the records of sales and promotional costs. The promotional cost, including charges for advertising space, descriptive literature, distribution, theoretical cost of postage, rent, light, heat, salaries, equipment, alterations to buildings, etc., was approximately one-fifth of 1 percent of the total cash value of savings bonds sold up to June 30, 1938. This ratio has been declining as the volume of sales has risen and expenditures have decreased.

From March 1, 1935, when these bonds were first offered for sale, to June 30, 1938, there were issued 6,451,941 savings bonds with an aggregate maturity value of $1,777,707,650. The sales are shown in some detail in the table on page 14.

Answers to questionnaires sent to all owners of savings bonds disclosed that the majority of these bonds had been purchased by small investors. The tabulation indicates that 26 percent of the bonds outstanding are held by skilled laborers, 23 percent by clerical employees, 16 percent by domestics, and 20 percent by other individuals. The remaining 15 percent are held by banks, trust companies, insurance companies, and other corporations and associations.

The Regular Purchase Plan, under which enrolled purchasers receive memorandum statements on savings bonds at regular intervals, had enlisted more than 25,000 regular purchasers by the close of the fiscal year. In addition, the great majority of the other owners of savings bonds are repeat purchasers, although not enrolled under the Regular Purchase Plan. Many investors are making systematic purchases for the purpose of old-age retirement and other fixed future needs.

SECRET SERVICE DIVISION

During the year 3,075 persons were arrested by agents of the Service, or by their direction, on charges involving counterfeiting of the obligations and coins of the United States, forgery, and miscellaneous offenses against the statutes relating to the Treasury Department. Of this number, 651 were note counterfeiters and note passers, 31 were note raisers and passers of altered currency, 559 were coin counterfeiters and coin passers, 1,664 were check forgers, 2 were apprehended for negotiating stolen or forged bonds, 25 for presenting false claims against the Government, 10 for violating the Gold Reserve Act, 15 for violating the Farm Loan Act, 12 for violating the Adjusted Compensation Act, 5 for making and possessing counter-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

feit strip stamps, 4 for making and negotiating counterfeit Government checks, 12 for conspiracy, 4 for impersonation, 2 for embezzlement, 6 for parole violation, and 73 for miscellaneous offenses.

Thirty-five new counterfeit note issues were detected, nearly all of which were photo-mechanical productions. Fifteen of these counterfeits were fairly deceptive and warranted distribution of descriptive warning circulars.

During the year counterfeit and altered notes having a representative value of $639,780 were captured by or turned over to agents of the Service, a decrease of $19,589 compared with 1937. Counterfeit coins in the amount of $55,015 were confiscated or turned over to the Service in connection with raids and subsequent arrests, a decrease of $17,062. The loss to the public through the counterfeit money placed in circulation and surrendered to the Service by banks and others was $439,667, a decrease of $147,213 for the year.

Of the counterfeit money seized, the Service held in evidence in court prosecutions $250,590 of counterfeit and altered notes, an increase of $110,588 compared with 1937, and $4,537 of counterfeit coins, a decrease of $39. In these cases the guilty persons were prosecuted.

In connection with arrests and investigations, agents captured or seized 170 metal plates, 57 film and glass negatives for printing counterfeit obligations and securities, 54½ steel dies, 40½ metal molds, and 459½ plaster molds for counterfeiting coins, and a large quantity of miscellaneous materials and counterfeiting paraphernalia.

Of the cases brought to trial, 2,577 were convicted and sentenced, 82 were acquitted, 770 are awaiting the action of the courts, and others were variously disposed of, some defendants being committed to insane asylums and others delivered to the military or police authorities. Convictions were obtained in 96.91 percent of the cases brought to trial.

Agents conducted investigations in 11,645 check cases, 198 bond cases, and 532 Gold Reserve Act cases. In check investigations, $13,940 was received in restitution and transmitted to the Treasury Department.

There were referred to the Service for investigation 20,443 cases of criminal character and 1,566 cases of noncriminal nature.

On April 1, 1938, a special educational campaign was inaugurated for the purpose of instructing merchants, bank personnel, and money handlers of all kinds in the detection of counterfeit money. Public addresses were made by the agents before business organizations, assemblies of bank and postal employees, police officers, and small shopkeepers. Radio talks were broadcast; moving picture shorts were produced; personal canvasses among storekeepers were conducted by the field agents; and 2,160 meetings were addressed, with 93,909 persons attending. Approximately 900,000 warning notices describing counterfeit notes were distributed through the mails, and more than 100,000 store employees were orally instructed. The campaign is being continued as a regular feature of the work.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

DIVISION OF TAX RESEARCH

The Division of Tax Research was established in the Office of the Secretary on June 1, 1938, under the provisions of Treasury Department order dated March 25, 1938. The Director of Tax Research is in charge of the Division. The Division analyzes taxes and tax systems and makes recommendations thereon to aid the Secretary of the Treasury in the formulation and execution of tax programs and fiscal policies. Surveys and economic analyses in the field of taxation are made also for other Treasury officials and, on request, for the Congressional Joint Committee on Internal Revenue Taxation. The Division is responsible for the assembly and publication of all statistical information pertaining to Federal taxation and in this connection exercises general supervision over the work of the Statistical Section of the Income Tax Unit of the Bureau of Internal Revenue.

Analyses of the Federal tax structure are made covering both immediate and contemplated revenue needs and dealing with the effectiveness and equitableness of the Federal tax system as it exists and with the proposed changes in the system. Studies are made of the distribution of the tax burden both for specific taxes and for the tax system as a whole. Analyses are made of the specific State and local taxes that are related to the respective taxes in the Federal tax structure. The experiences of States and localities in administering various taxes are studied in connection with problems of Federal tax administration. Comparative studies are made of selected taxes in foreign countries and of foreign tax systems as a whole as a further basis for study of the Federal tax structure.

Estimates of the extent and nature of the Federal, State, and local tax-exempt debt outstanding are furnished annually to the Secretary of the Treasury. The Division also reviews current developments in tax theory and practice, makes special analyses and reports on economic aspects of tax problems, prepares replies to correspondence, and performs other functions of similar nature.

TREASURER OF THE UNITED STATES

Public moneys are received and disbursed through the accounts of the Treasurer of the United States. Deposit accounts are carried with designated Government depositaries and the Treasury at Washington. Credit accounts with disbursing officers of the Government are maintained on the books of the Treasurer. Funds appropriated by Congress for the use of the various departments and establishments of the Government are advanced to disbursing officers as required through credits to their accounts with the Treasurer, and disbursements are made by checks drawn by disbursing officers on their accounts with the Treasurer. The Treasurer also is fiscal agent for the payment of principal and interest on the public debt, for the issue and redemption of United States paper currency, for the redemption of national bank notes, Federal Reserve notes, and Federal Reserve bank notes, and for the payment of the principal of and interest on bonds and other obligations of the insular governments and of governmental agencies and corporations. He is treasurer of the Board of Trustees of the Postal Savings System and trustee and custodian of miscellaneous securities and trust funds.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

A comparison of receipts, exclusive of postal revenues, and expenditures of the Government for the fiscal years 1937 and 1938 is presented in the following table. The figures in this table, and throughout the remainder of the report of the Treasurer (pp. 234 to 237, inclusive), are on the basis of daily Treasury statements (revised). (For a description of bases used in the tables in this report and of the accounts through which Treasury transactions are effected, see pp. 351 and 352.)

	1937	1938	Increase or decrease (−)
Receipts, exclusive of postal revenues	$5,898,518,890.84	$7,355,844,094.65	$1,457,325,203.81
Expenditures	8,863,273,165.28	8,560,021,917.01	−303,251,248.27
Excess of expenditures over receipts	2,964,754,274.44	1,204,177,822.36	−1,760,576,452.08

The public debt obligations outstanding on June 30, 1937 and 1938, were $36,427,091,021 and $37,167,487,451, respectively, an increase during the year of $740,396,430. Total receipts, representing public debt issues, during the year amounted to $9,621,317,266, and expenditures on account of redemptions or retirements amounted to $8,880,920,836. The details with respect to the receipts and expenditures are shown in the table on page 396.

Public debt retirements chargeable against ordinary receipts, included in the total public debt expenditures, were as follows:

Cumulative sinking fund	$65,232,400
Received from foreign governments under debt settlements	210,000
Forfeitures, gifts, etc	139,900
Total	65,582,300

The number of pieces of public debt principal obligations examined, verified, and redeemed during the year was 2,476,969, compared with 9,825,366 pieces for the previous year. The difference of 7,348,397 pieces represents a decrease of 7,612,763 in adjusted service bonds and an increase of 264,366 in other securities. Checks in payment of interest on the registered obligations of the United States verified and paid numbered 940,995, and the matured interest coupons of Government obligations examined, verified, and paid numbered 11,884,644.

The amount of interest paid on the public debt during the year is classified as follows:

Class of interest payment	Amount
Interest coupons paid	$735,403,991.93
Registered interest checks paid	115,840,381.18
Accrued interest paid in cash on obligations at redemption	20,990,016.95
Discount on Treasury bills sold	4,122,879.50
Discount accrued on United States savings bonds	17,144,107.00
Interest paid on obligations, special series (transfer-counter warrant transactions)	33,546,507.55
Total paid	927,047,884.11
Less repayments	800,611.69
Net payments	926,247,272.42

The gold holdings of the Treasury as of June 30, 1938, valued at $35 an ounce, were $12,962,953,930.58, an increase of $644,682,765.99 over the previous year. The details of these gold holdings are shown in table 46, page 524 of this report. The increase in gold holdings

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

was made up as follows: Net acquisitions by mints and assay offices on account of imports, etc. (valued at $35 an ounce), $642,007,649.17; received under the order of the Secretary of the Treasury of December 28, 1933 (valued at $20.67+ an ounce), $1,579,987.93; increment resulting from reduction in the weight of the gold dollar, $1,095,128.89.

Paper currency of each class issued and redeemed during the year and the amounts outstanding, including Treasury and Federal Reserve bank holdings, on June 30, 1937 and 1938, were as follows:

Class	Outstanding June 30, 1937	Issued	Redeemed	Outstanding June 30, 1938
Gold certificates	$2,907,145,129		$12,353,290	$2,894,791,839
Silver certificates	1,311,356,212	$1,541,704,000	1,337,832,384	1,515,227,828
United States notes	346,681,016	244,252,000	244,252,000	346,681,016
Treasury notes of 1890	1,173,248		2,600	1,170,648
Federal Reserve notes	4,508,972,920	1,608,500,000	1,696,657,920	4,420,815,000
Federal Reserve bank notes	38,471,632		7,632,101	30,839,531
National bank notes	273,008,240	3,500	52,323,810	220,687,930
Total	9,386,808,397	3,394,459,500	3,351,054,105	9,430,213,792

The paper currency held by Treasury offices and Federal Reserve banks on June 30, 1938, was as follows:

Class	Held in Treasury offices and by Federal Reserve banks and agents in custody for the Treasurer	Held by Federal Reserve banks	Total
Gold certificates	$813,440	$2,815,478,500	$2,816,291,940
Silver certificates	7,146,453	277,925,144	285,071,597
United States notes	2,857,612	81,668,418	84,526,030
Treasury notes of 1890	1,226		1,226
Federal Reserve notes	13,792,387	292,684,155	306,476,542
Federal Reserve bank notes	379,340	342,050	721,390
National bank notes	1,353,334	1,893,620	3,246,954
Total	26,343,792	3,469,991,887	3,496,335,679

United States paper currency shipped during the year from the Treasury in Washington to Treasury offices, Federal Reserve banks and branches, and others, amounted to $1,738,329,981, an increase of $151,587,385 over the previous year. The Treasurer's office directed shipments of current silver and minor coins between the United States Treasury, the United States mints, and the Federal Reserve banks and branches for use in public disbursements, etc., as follows:

Kind	Shipments from Treasury to Federal Reserve banks and branches	Shipments from mints to Treasury and Federal Reserve banks and branches	Shipments between Federal Reserve banks and branches
Silver:			
Standard dollars		$2,371,100	$1,445,000
Half dollars	$20,000	4,674,600	1,635,000
Quarter dollars		5,297,350	190,000
Dimes		5,947,800	660,000
Minor:			
Nickels	75,000	2,965,350	273,000
Cents		2,882,410	
Total	95,000	24,138,610	4,203,000

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Shipments and transfers of gold coin and bullion and of uncurrent silver and minor coins to the mints from the Treasury and the Federal Reserve banks and branches were authorized in the amounts of $752,-752.59 and $6,469,125.48, respectively.

The proceeds of currency counted into the Treasurer's cash by the Currency Redemption Division amounted to $248,972,634, of which $52,365,097 was in national bank notes, $7,445,200 in Federal Reserve bank notes, $131,125,138 in Federal Reserve notes, and $58,037,199 in United States currency.

Canceled Federal Reserve notes amounting to $1,468,165,800 were received from Federal Reserve banks and branches for credit of Federal Reserve agents.

Public moneys on deposit in designated Government depositaries on June 30, 1938, to the credit of the Treasurer of the United States and to the credit of other Government officers, amounted to $1,486,-339,972.20 and $33,124,528.59, respectively, exclusive of items in transit. The table on page 524 shows the amounts in the various depositaries on June 30 of the last two years.

The checks issued by the Treasurer of the United States in payment of interest on the registered obligations of governmental agencies and insular governments during the year numbered 69,281 and amounted to $14,234,239.31. Interest coupons of obligations of governmental agencies and insular governments paid numbered 6,687,159 and amounted to $134,292,948.85.

Funds were advanced to United States disbursing officers by accountable warrants issued in an aggregate amount of $7,366,574,-313.09. Warrants aggregating $10,153,023,564.55 were also issued covering public debt principal and interest payments by the Treasurer. Treasurer's checks aggregating $80,051,556.84 were issued on settlement warrants in payment of claims settled by the Comptroller General.

Checks drawn on the Treasurer of the United States by Government disbursing officers and agencies paid during the year numbered 115,050,872, or 23,211,318 less than during 1937. Of the number paid in 1938, 61,860,831 were for work relief payments and were paid by the Federal Reserve banks acting as agents for the Treasurer.

The aggregate amount of balances to the credit of disbursing officers and agencies on June 30, 1938, was $1,924,364,522.52 in 6,393 accounts, compared with $1,549,054,184.10 in 5,982 accounts on June 30, 1937, an increase of $375,310,338.42 in balances and an increase of 411 in the number of accounts.

Drafts in 56 different kinds of foreign currencies, aggregating 2,476 in number, were purchased during the year by the Treasurer of the United States for the Comptroller General and for other departments and bureaus of the Government at a cost of $180,098.65.

Personal checks, drafts, and postal and express money orders, aggregating 1,975,699 items and amounting to $57,204,637.73, were deposited by Government officers with the Treasurer of the United States for collection.

Securities held in custody by the Treasurer on June 30, 1938, amounted to $17,004,704,772 (par value), a decrease of $2,519,320,712 [1] from the previous year. The following table shows the amounts of the securities held in custody on June 30, 1937 and 1938, classified according to the purpose for which held:

[1] See p. 19.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Purpose for which held	June 30, 1937	June 30, 1938
To secure national bank note circulation	$600,000	
To secure deposits of public moneys in depositary banks	46,230,200	$42,066,000
To secure postal savings funds	137,661,393	114,171,348
For special trust accounts	19,332,316,841	16,840,832,374
For District of Columbia teachers' retirement fund	7,057,150	7,460,350
For longshoremen's and harbor workers' compensation fund	138,900	153,700
For District of Columbia workmen's compensation fund	21,000	21,000
Total	19,524,025,484	17,004,704,772

WAR FINANCE CORPORATION

(In liquidation)

Under authority of the act approved March 1, 1929, the liquidation of the assets of the War Finance Corporation and the winding up of its affairs were continued during the year.

Only $1,000 of the Corporation's original capital stock of $500,000,000 is outstanding, $499,999,000 of capital stock having been retired at par. The Corporation has paid into the Treasury $64,837,271.70 on account of earnings.

The total amount of advances made by the Corporation, from its creation, not including such part of new applications as represented proceeds used to retire other advances, aggregated $690,431,100, of which $688,615,688 has been repaid. The total receipts during the year amounted to $8,783.49, and the expenditures amounted to $876.21. In addition, $9,000 was paid into the Treasury on account of retirement of capital stock, and $16,000 on account of earnings.

The remaining assets still carried on the books of the Corporation as of June 30, 1938, amounted to $20,553.68, consisting of cash of $17,240.38 (of which $10,575 is held for the redemption of outstanding bonds and interest thereon), furniture and fixtures of $1, and agricultural and livestock loans (including expense advances of $372.22) of $3,312.30.

104825—39——17

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

EXHIBITS

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

PUBLIC DEBT

Public issues of Treasury notes and Treasury bonds

Exhibit 1

Offering of 1¼ percent Treasury notes of series E–1938 and 2 percent Treasury notes of series B–1942

On September 7, 1937, Secretary of the Treasury Morgenthau invited subscriptions for 15 month, 1¼ percent Treasury notes of series E–1938 and 5 year, 2 percent Treasury notes of series B–1942, in payment of which only 3¼ percent Treasury notes of series A–1937, maturing September 15, 1937, were accepted. In the related press release it was stated that $350,600,000 of special Treasury bills, which would mature immediately after September 15, and about $168,400,000 of interest on the public debt, which would become due September 15, would be paid from the Treasury's cash balance.

[Department Circular No. 578. Public Debt]

TREASURY DEPARTMENT,
Washington, September 7, 1937.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par, from the people of the United States for notes of the United States in two series, designated 1¼ percent Treasury notes of series E–1938 and 2 percent Treasury notes of series B–1942, respectively, in payment of which only Treasury notes of series A–1937, maturing September 15, 1937, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury notes of series A–1937 tendered and accepted.

II. DESCRIPTION OF NOTES

1. The notes of series E–1938 will be dated September 15, 1937, and will bear interest from that date at the rate of 1¼ percent per annum, payable on a semiannual basis on December 15, 1937, and on June 15 and December 15, 1938. They will mature December 15, 1938, and will not be subject to call for redemption prior to maturity.

2. The notes of series B–1942 will be dated September 15, 1937, and will bear interest from that date at the rate of 2 percent per annum, payable semiannually on March 15 and September 15 in each year. They will mature September 15, 1942, and will not be subject to call for redemption prior to maturity.

3. The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes, or gift taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

4. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

5. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

6. Bearer notes with interest coupons attached will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made or completed on or before September 15, 1937, or on later allotment, and may be made only in Treasury notes of series A–1937, maturing September 15, 1937, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

Exhibit 2

Allotments, Treasury notes of series E–1938 and series B–1942 (from press releases, September 8 and 14 [1])

On September 7, 1937, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of 1¼ percent Treasury notes of series E–1938 and 2 percent Treasury notes of series B–1942 would close at the close of business September 9, 1937. Reports received from the Federal Reserve banks showed that $775,604,200 of Treasury notes of series A–1937 were exchanged for the two new series of notes. Subscriptions were allotted in full.

Allotments were divided among the several Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Treasury notes, series E–1938	Treasury notes, series B–1942	Total allotments
Boston	$19,751,700	$15,699,900	$35,451,600
New York	299,901,900	255,410,800	555,312,700
Philadelphia	11,369,900	5,931,100	17,301,000
Cleveland	11,382,200	15,035,900	26,418,100
Richmond	5,644,300	10,135,800	15,780,100
Atlanta	2,675,000	2,007,800	4,682,800
Chicago	48,713,100	13,002,300	61,715,400
St. Louis	8,701,600	4,251,100	12,952,700
Minneapolis	2,904,200	10,220,400	13,124,600
Kansas City	11,098,700	8,163,900	19,262,600
Dallas	2,180,100	959,700	3,139,800
San Francisco	8,161,700	620,700	8,782,400
Treasury	976,500	703,900	1,680,400
Total	433,460,900	342,143,300	775,604,200

[1] Revised October 11, 1937.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 3

Offering of 2½ percent Treasury bonds of 1945 and 1¾ percent Treasury notes of series C–1942

On December 6, 1937, Secretary of the Treasury Morgenthau offered for subscription 8 year, 2½ percent Treasury bonds of 1945 and 5 year, 1¾ percent Treasury notes of series C–1942. The bonds and notes were offered for cash and in exchange for 2⅝ percent Treasury notes of series A–1938, maturing February 1, 1938. In the related press release it was stated that $450,000,000 of special Treasury bills would mature immediately after December 15, and about $158,000,000 of interest on the public debt would become payable on December 15.

[Treasury bonds of 1945. Department Circular No. 579. Public Debt]

TREASURY DEPARTMENT,
Washington, December 6, 1937.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2½ percent bonds of the United States, designated Treasury bonds of 1945. The amount of the offering is $250,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury notes of series A–1938, maturing February 1, 1938, are tendered in payment and accepted.

II. DESCRIPTION OF BONDS

1. The bonds will be dated December 15, 1937, and will bear interest from that date at the rate of 2½ percent per annum, payable semiannually on June 15 and December 15 in each year. They will mature December 15, 1945, and will not be subject to call for redemption prior to maturity.

2. The bonds shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (*a*) estate or inheritance taxes, or gift taxes, and (*b*) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the Second Liberty Bond Act, approved September 24, 1917, as amended, the principal of which does not exceed in the aggregate $5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (*b*) above.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $50, $100, $500, $1,000, $5,000, $10,000, and $100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury notes of series A–1938 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted on cash subscriptions must be made or completed on or before December 15, 1937, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve bank of its district. Treasury notes of series A–1938, maturing February 1, 1938, with coupon dated February 1, 1938, attached, will be accepted at par in payment for any bonds subscribed for and allotted, and accrued interest on the maturing notes from August 1, 1937, to December 15, 1937 ($9.701087 per $1,000), will be paid following acceptance of the notes. Payment through surrender of Treasury notes of series A–1938 should be made when the subscription is tendered.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

[Treasury notes, series C–1942. Department Circular No. 580. Public Debt]

TREASURY DEPARTMENT,
Washington, December 6, 1937.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 1¾ percent notes of the United States, designated Treasury notes of series C–1942. The amount of the offering is $200,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury notes of series A–1938, maturing February 1, 1938, are tendered in payment and accepted.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 15, 1937, and will bear interest from that date at the rate of 1¾ percent per annum, payable semiannually on June 15 and

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

December 15 in each year. They will mature December 15, 1942, and will not be subject to call for redemption prior to maturity.

2. The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes, or gift taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

5. Bearer notes with interest coupons attached will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury notes of series A–1938 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted on cash subscriptions must be made or completed on or before December 15, 1937, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for notes allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve bank of its district. Treasury notes of series A–1938, maturing February 1, 1938, with coupon dated February 1, 1938, attached, will be accepted at par in payment for any notes subscribed for and allotted, and accrued interest on the maturing notes from August 1, 1937, to December 15, 1937 ($9.701087 per $1,000), will be paid following acceptance of the notes. Payment through surrender of Treasury notes of series A–1938 should be made when the subscription is tendered.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Exhibit 4

Subscriptions and allotments, Treasury bonds of 1945 and Treasury notes of series C–1942 (from press releases, December 7, 10, and 14, 1937 [1])

On December 6, 1937, Secretary of the Treasury Morgenthau announced that the subscription books for the cash offering of 2½ percent Treasury bonds of 1945 and 1¾ percent Treasury notes of series C–1942 closed at the close of business December 6, 1937. Reports received from the Federal Reserve banks showed that cash subscriptions for the offering of bonds aggregated $4,084,309,500, of which $293,513,250 was allotted. Subscriptions in amounts up to and including $1,000 were allotted in full, and those in amounts over $1,000 were allotted 7 percent, but not less than $1,000 on any one subscription.

For the offering of Treasury notes cash subscriptions aggregated $2,702,416,300, of which $219,035,700 was allotted. Subscriptions in amounts up to and including $1,000 were allotted in full, and those in amounts over $1,000 were allotted 8 percent, but not less than $1,000 on any one subscription.

The subscription books for both issues closed at the close of business December 8, 1937, for the receipt of subscriptions in payment of which 2⅝ percent Treasury notes of series A–1938 were tendered. Exchange subscriptions for Treasury bonds totaled $247,330,300 and for Treasury notes $13,339,500. These subscriptions were allotted in full.

Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Cash subscriptions received	Exchange subscriptions received and allotted	Total subscriptions received	Cash subscriptions allotted	Total subscriptions allotted
	Treasury bonds of 1945				
Boston	$388,392,700	$6,163,300	$394,556,000	$27,632,000	$33,795,300
New York	2,078,465,700	196,157,900	2,274,623,600	146,232,700	342,390,600
Philadelphia	242,038,350	440,800	242,479,150	17,346,000	17,786,800
Cleveland	208,652,800	3,431,200	212,084,000	15,400,750	18,831,950
Richmond	134,496,600	1,468,500	135,965,100	9,902,150	11,370,650
Atlanta	102,447,700	2,848,900	105,296,600	7,920,800	10,769,700
Chicago	381,247,050	16,368,900	397,615,950	27,937,700	44,306,600
St. Louis	97,155,700	2,039,700	99,195,400	7,926,800	9,966,500
Minneapolis	51,270,550	893,500	52,164,050	4,001,200	4,894,700
Kansas City	68,324,750	9,370,400	77,695,150	5,280,900	14,651,300
Dallas	73,715,050	2,635,100	76,350,150	5,586,800	8,221,900
San Francisco	243,346,550	1,853,100	245,199,650	17,310,950	19,164,050
Treasury	14,756,000	3,659,000	18,415,000	1,034,500	4,693,500
Total	4,084,309,500	247,330,300	4,331,639,800	293,513,250	540,843,550
	Treasury notes of series C–1942				
Boston	$189,842,000	$646,700	$190,488,700	$15,290,500	$15,937,200
New York	1,265,430,300	7,254,300	1,272,684,600	101,438,800	108,693,100
Philadelphia	186,337,500	1,553,000	187,890,500	15,018,200	16,571,200
Cleveland	169,601,100	541,100	170,142,200	13,763,700	14,304,800
Richmond	99,027,200	608,300	99,635,500	8,198,000	8,806,300
Atlanta	85,031,200		85,031,200	7,179,500	7,179,500
Chicago	276,319,100	1,130,600	277,449,700	22,518,500	23,649,100
St. Louis	78,991,400	987,700	79,979,100	6,956,700	7,944,400
Minneapolis	43,403,000	25,000	43,428,000	3,592,000	3,617,000
Kansas City	55,226,200	184,500	55,410,700	4,575,300	4,759,800
Dallas	53,427,800	82,000	53,509,800	4,446,500	4,528,500
San Francisco	198,014,500	281,500	198,296,000	15,916,000	16,197,500
Treasury	1,765,000	44,800	1,809,800	142,000	186,800
Total	2,702,416,300	13,339,500	2,715,755,800	219,035,700	232,375,200

[1] Revised January 5, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 5

Offering of 2½ percent Treasury bonds of 1948

On March 7, 1938, Secretary of the Treasury Morgenthau announced the offering of 10½ year, 2½ percent Treasury bonds of 1948 in exchange for 3 percent Treasury notes of series C–1938, maturing March 15, 1938. In the related press release it was stated that special Treasury bills aggregating $400,642,000, which would mature immediately after March 15, and about $162,000,000 of interest on the public debt, which would become due on March 15, would be paid from the Treasury's cash balance.

[Department Circular No. 581. Public Debt]

TREASURY DEPARTMENT,
Washington, March 7, 1938.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par, from the people of the United States for 2½ percent bonds of the United States, designated Treasury bonds of 1948, in payment of which only Treasury notes of series C–1938, maturing March 15, 1938, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury notes of series C–1938 tendered and accepted.

II. DESCRIPTION OF BONDS

1. The bonds will be dated March 15, 1938, and will bear interest from that date at the rate of 2½ percent per annum, payable semiannually, on September 15, 1938, and thereafter on March 15 and September 15 in each year. They will mature September 15, 1948, and will not be subject to call for redemption prior to maturity.[1] * * *

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for bonds allotted hereunder must be made or completed on or before March 15, 1938, or on later allotment, and may be made only in Treasury notes of series C–1938, maturing March 15, 1938, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions * * *.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Exhibit 6

Allotments, Treasury bonds of 1948 (from press releases, March 8 and 11, 1938[2])

On March 7, 1938, Secretary of the Treasury Morgenthau announced that the subscription books for the exchange offering of 2½ percent Treasury bonds of 1948 would close at the close of business March 9, 1938. Reports received from the

[1] Omitted portion similar to corresponding section of Department Circular No. 579, p. 243.
[2] Revised March 21, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Federal Reserve banks showed that $450,978,400 of Treasury notes of series C–1938 were exchanged for the bonds, all subscriptions having been allotted in full.

Allotments were divided among the several Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received and allotted	Federal Reserve district	Subscriptions received and allotted
Boston	$12,354,600	Minneapolis	$10,288,800
New York	316,408,700	Kansas City	15,377,100
Philadelphia	3,788,900	Dallas	2,542,500
Cleveland	7,735,400	San Francisco	3,642,600
Richmond	11,759,000	Treasury	708,500
Atlanta	6,110,000		
Chicago	53,678,100	Total	450,978,400
St. Louis	6,584,200		

Exhibit 7

Offering of 2¾ percent Treasury bonds of 1958–63 and 1⅛ percent Treasury notes of series A–1943

On June 6, 1938, Secretary of the Treasury Morgenthau announced the offering of 20–25 year, 2¾ percent Treasury bonds of 1958–63 and 5 year, 1⅛ percent Treasury notes of series A–1943, both in exchange for 2⅞ percent Treasury notes of series B–1938, maturing June 15, 1938, or 2½ percent Treasury notes of series D–1938, maturing September 15, 1938. In the related press release it was stated that $250,306,000 of special Treasury bills, which would mature immediately after June 15, and about $190,000,000 of interest on the public debt, which would become due on June 15, would be paid from the Treasury's cash balance.

[Treasury bonds of 1958–63. Department Circular No. 584. Public Debt]

TREASURY DEPARTMENT,
Washington, June 6, 1938.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par, from the people of the United States for 2¾ percent bonds of the United States, designated Treasury bonds of 1958–63, in payment of which only Treasury notes of series B–1938, maturing June 15, 1938, or Treasury notes of series D–1938, maturing September 15, 1938, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury notes of series B–1938 and of series D–1938 tendered and accepted.

II. DESCRIPTION OF BONDS

1. The bonds will be dated June 15, 1938, and will bear interest from that date at the rate of 2¾ percent per annum, payable semiannually on December 15, 1938, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1963, but may be redeemed at the option of the United States on and after June 15, 1958, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.[1] * * *

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts, and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or

[1] Omitted portion similar to corresponding section of Department Circular No. 579, p. 243

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for bonds allotted hereunder must be made or completed on or before June 15, 1938, or on later allotment, and may be made only in Treasury notes of series B–1938, maturing June 15, 1938, or in Treasury notes of series D–1938, maturing September 15, 1938, which will be accepted at par, and should accompany the subscription. In the case of Treasury notes of series D–1938 tendered in payment, coupons dated September 15, 1938, must be attached to the notes when surrendered, and accrued interest from March 15, 1938, to June 15, 1938 ($6.25 per $1,000), will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions * * *.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

[Treasury notes, series A–1943. Department Circular No. 585. Public Debt]

TREASURY DEPARTMENT,
Washington, June 6, 1938.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par, from the people of the United States for 1⅛ percent notes of the United States, designated Treasury notes of series A–1943, in payment of which only Treasury notes of series B–1938, maturing June 15, 1938, or Treasury notes of series D–1938, maturing September 15, 1938, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury notes of series B–1938 and of series D–1938 tendered and accepted.

II. DESCRIPTION OF NOTES

1. The notes will be dated June 15, 1938, and will bear interest from that date at the rate of 1⅛ percent per annum, payable semiannually on December 15, 1938, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1943, and will not be subject to call for redemption prior to maturity.[1] * * *

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorizied to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made or completed on or before June 15, 1938, or on later allotment, and may be made only in Treasury notes of series B–1938, maturing June 15, 1938, or in Treasury notes of series D–1938, maturing September 15, 1938, which will be accepted at par, and should accompany the subscription. In the case of Treasury notes of series D–1938

[1] Omitted portion similar to corresponding section of Department Circular No. 580, p. 244.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

tendered in payment, coupons dated September 15, 1938, must be attached to the notes when surrendered. Interest from March 15, 1938, to September 15, 1938, on the maturing notes will be credited to subscribers, and interest from June 15, 1938, to September 15, 1938, on the new notes will be charged to subscribers. The difference ($9.672131 per $1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions * * *.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

Exhibit 8

Allotments, Treasury bonds of 1958–63 and Treasury notes of series A–1943 (from press releases, June 7 and 13, 1938 [1])

On June 6, 1938, Secretary of the Treasury Morgenthau announced that the subscription books for the exchange offering of 2¾ percent Treasury bonds of 1958–63 and 1½ percent Treasury notes of series A–1943 would close at the close of business June 8, 1938. Reports received from the Federal Reserve banks showed that $607,878,800 of Treasury notes of series B–1938, maturing June 15, 1938, and $578,677,400 of Treasury notes of series D–1938, maturing September 15, 1938, were exchanged for the issues of bonds and notes. Subscriptions were allotted in full.

Allotments were divided among the several Federal Reserve districts and the Treasury as follows:

Federal Reserve district	June notes exchanged	September notes exchanged	Total exchanges
	Treasury bonds of 1958–63		
Boston	$22,296,900	$8,610,550	$30,907,450
New York	405,885,800	250,950,550	656,836,350
Philadelphia	4,752,100	7,219,600	11,971,700
Cleveland	5,416,300	15,896,950	21,313,250
Richmond	5,702,800	5,160,650	10,863,450
Atlanta	3,083,900	2,711,900	5,795,800
Chicago	73,070,800	35,703,400	108,774,200
St. Louis	12,995,200	2,741,650	15,736,850
Minneapolis	3,247,100	3,950,150	7,197,250
Kansas City	7,831,000	6,960,950	14,791,950
Dallas	5,946,900	930,600	6,877,500
San Francisco	18,356,600	5,342,450	23,699,050
Treasury	3,150,800	865,000	4,015,800
Total	571,736,200	347,044,400	918,780,600
	Treasury notes of series A–1943		
Boston	$2,551,000	$5,549,000	$8,100,000
New York	21,659,300	212,617,300	234,276,600
Philadelphia	1,262,300	3,162,900	4,425,200
Cleveland	2,423,200	3,160,000	5,583,200
Richmond	230,000	379,400	609,400
Atlanta	275,500	441,000	716,500
Chicago	1,833,700	3,497,700	5,331,400
St. Louis	3,810,100	922,400	4,732,500
Minneapolis	254,500	117,700	372,200
Kansas City	280,000	750,200	1,030,200
Dallas	569,000	71,000	640,000
San Francisco	976,500	909,400	1,885,900
Treasury	17,500	55,000	72,500
Total	36,142,600	231,633,000	267,775,600

Issues of Treasury bills

Exhibit 9

Inviting tenders for Treasury bills dated July 7, 1937 (press release, June 30, 1937)

TREASURY DEPARTMENT,
Washington, June 30, 1937.

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of $50,000,000, or thereabouts. They will be 273-day bills

[1] Revised July 5, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve banks, or the branches thereof, up to 2 p. m., eastern standard time, on Friday, July 2, 1937. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated July 7, 1937, and will mature on April 6, 1938, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of $1,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve banks or branches upon application therefor.

No tender for an amount less than $1,000 will be considered. Each tender must be in multiples of $1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on July 2, 1937, all tenders received at the Federal Reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve banks in cash or other immediately available funds on July 7, 1937.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve bank or branch thereof.

Exhibit 10

Acceptance of tenders for Treasury bills dated July 7, 1937 (press release July 3, 1937)

TREASURY DEPARTMENT,
Washington, July 3, 1937.

Acting Secretary of the Treasury Taylor announced last evening that the tenders for $50,000,000, or thereabouts, of 273-day bills, dated July 7, 1937, and maturing April 6, 1938, which were offered on June 30, were opened at the Federal Reserve banks on July 2.

The total amount applied for was $133,100,000, of which $50,010,000 was accepted. The accepted bids ranged in price from 99.678, equivalent to a rate of about 0.425 percent per annum, to 99.607, equivalent to a rate of about 0.518 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.628 and the average rate is about 0.490 percent per annum on a bank discount basis.

Exhibit 11

Press releases pertaining to Treasury bill issues during the fiscal year 1938 were similar in form to the foregoing and are, therefore, not here reproduced. The essential details regarding each issue are summarized in the following table:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Summary of information contained in press releases issued in connection with Treasury bills offered during the fiscal year 1938

Date of issue	Date of maturity	Days to maturity	Total amount applied for (in thousands)	Bids accepted							Date of press releases	Date of closing
				Highest		Lowest		Amount (in thousands)	Average			
				Price (per hundred)	Equivalent rate [1] (percent)	Price (per hundred)	Equivalent rate [1] (percent)		Price (per hundred)	Equivalent rate [1] (percent)		
1937	1937 and 1938										1937	1937
July 7	Apr. 6, 1938	273	$133,100	$99.678	0.425	$99.607	0.518	$50,010	$99.628	0.490	June 30 and July 3	July 2
July 14	Dec. 16, 1937	155	120,248	99.872	.297	99.813	.434	50,060	99.819	.419	July 9 and 13	July 12
Do	Apr. 13, 1938	273	141,935	[2] 99.700	.396	99.597	.531	50,000	99.610	.514		
July 21	Dec. 16, 1937	148	144,990	99.844	.379	99.836	.399	[3] 50,137	99.837	.397	July 16 and 20	July 19
Do	Apr. 20, 1938	273	156,436	99.700	.396	99.614	.509	50,015	99.620	.502		
July 28	Dec. 17, 1937	142	137,791	99.866	.340	99.850	.380	50,012	99.853	.372	July 23 and 27	July 26
Do	Apr. 27, 1938	273	151,608	99.650	.462	99.626	.493	50,032	99.632	.485		
Aug. 4	Dec. 17, 1937	135	165,122	99.995	.013	99.899	.269	50,000	99.915	.228	July 30 and Aug. 3	Aug. 2
Do	May 4, 1938	273	133,795	99.674	.430	99.639	.476	50,047	99.646	.467		
Aug. 11	Dec. 18, 1937	129	148,448	100.000	.000	99.918	.229	50,086	99.924	.211	Aug. 6 and 10	Aug. 9
Do	May 11, 1938	273	146,268	[4] 99.674	.430	99.625	.495	50,057	99.638	.478		
Aug. 18	Dec. 18, 1937	122	79,813	100.000	.000	99.895	.310	50,018	99.927	.216	Aug. 13 and 17	Aug. 16
Do	May 18, 1938	273	140,846	99.841	.210	99.641	.473	50,048	99.652	.459		
Aug. 25	Dec. 20, 1937	117	95,371	100.000	.000	99.883	.360	50,043	99.892	.332	Aug. 20 and 24	Aug. 23
Do	May 25, 1938	273	118,091	[5] 99.651	.460	99.583	.550	50,001	99.603	.524		
Sept. 1	Dec. 20, 1937	110	103,158	99.921	.259	99.860	.458	50,072	99.871	.422	Aug. 27 and 31	Aug. 30
Do	June 1, 1938	273	123,622	99.621	.500	99.518	.636	50,028	99.534	.615		
Sept. 8	Dec. 21, 1937	104	160,209	99.971	.100	99.856	.498	50,224	99.861	.480	Sept. 1 and 4	Sept. 3
Do	June 8, 1938	273	159,174	[6] 99.600	.527	99.448	.728	50,016	99.461	.711		
Sept. 15	June 15, 1938	273	176,174	99.630	.488	99.547	.597	50,010	99.557	.584	Sept. 10 and 14	Sept. 13
Sept. 22	June 22, 1938	273	159,031	99.697	.400	99.651	.460	50,015	99.666	.441	Sept. 17 and 21	Sept. 20
Sept. 29	June 29, 1938	273	120,959	99.750	.330	99.697	.400	50,116	99.709	.384	Sept. 24 and 28	Sept. 27
Oct. 6	July 6, 1938	273	183,266	[7] 99.697	.400	99.660	.448	50,090	99.669	.436	Oct. 1 and 5	Oct. 4
Oct. 13	July 13, 1938	273	134,079	99.704	.390	99.666	.440	50,103	99.675	.429	Oct. 8 and 12	Oct. 11
Oct. 20	July 20, 1938	273	163,285	99.736	.348	99.716	.375	50,025	99.725	.362	Oct. 15 and 19	Oct. 18
Oct. 27	Mar. 16, 1938	140	143,108	[8] 99.903	.249	99.896	.267	50,065	99.899	.261	Oct. 22 and 26	Oct. 25
Nov. 3	Mar. 16, 1938	133	173,632	[9] 99.922	.211	99.912	.238	50,119	99.917	.226	Oct. 27 and 30	Oct. 29
Nov. 10	Mar. 17, 1938	127	126,458	99.937	.179	99.925	.213	50,044	99.929	.201	Nov. 5 and 9	Nov. 8
Nov. 17	Mar. 17, 1938	120	156,317	99.957	.129	99.951	.147	50,050	99.952	.143	Nov. 12 and 16	Nov. 15
Nov. 24	Mar. 18, 1938	114	137,294	99.980	.063	99.960	.126	50,152	99.963	.117	Nov. 19 and 23	Nov. 22
Dec. 1	Mar. 18, 1938	107	138,479	99.970	.101	99.961	.131	50,040	99.965	.119	Nov. 26 and 30	Nov. 29
Dec. 8	Mar. 19, 1938	101	145,843	100.000	.000	99.962	.135	50,142	99.964	.129	Dec. 3 and 7	Dec. 6

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Dec. 15	Mar. 19, 1938	94	153,402	100.000	.000	99.963	.142	50,030	99.968	.124	Dec. 10 and 14	Dec. 13
Dec. 22	Mar. 23, 1938	91	126,308	100.000	.000	99.971	.115	50,098	99.974	.102	Dec. 17 and 21	Dec. 20
Dec. 29	Mar. 30, 1938	91	140,292	99.984	.063	99.973	.107	50,077	99.975	.101	Dec. 24 and 28	Dec. 27
1938											1938	1938
Jan. 5	Apr. 6, 1938	91	153,977	99.992	.032	99.979	.083	50,000	99.984	.065	Dec. 31, 1937, and Jan. 4	Jan. 3
Jan. 12	Apr. 13, 1938	91	138,807	99.987	.051	99.973	.107	50,027	99.976	.097	Jan. 7 and 11	Jan. 10
Jan. 19	Apr. 20, 1938	91	160,075	99.982	.071	99.971	.115	50,130	99.972	.111	Jan. 14 and 18	Jan. 17
Jan. 26	Apr. 27, 1938	91	176,533	99.980	.079	99.973	.107	50,035	99.974	.103	Jan. 21 and 25	Jan. 24
Feb. 2	May 4, 1938	91	184,593	99.981	.075	99.976	.095	50,060	99.979	.084	Jan. 28 and Feb. 1	Jan. 31
Feb. 9	May 11, 1938	91	150,294	99.982	.071	99.978	.087	50,144	99.980	.080	Feb. 4 and 8	Feb. 7
Feb. 16	May 18, 1938	91	146,823	99.985	.059	99.977	.091	50,063	99.980	.078	Feb. 11 and 15	Feb. 14
Feb. 23	May 25, 1938	91	141,485	99.983	.067	99.975	.099	50,276	99.977	.092	Feb. 16 and 19	Feb. 18
Mar. 2	June 1, 1938	91	230,782	99.982	.071	99.977	.091	50,137	99.978	.086	Feb. 25 and Mar. 1	Feb. 28
Do	June 16, 1938	106	160,894	100.000	.000	99.977	.078	50,042	99.983	.058		
Mar. 9	June 8, 1938	91	227,296	99.985	.059	99.981	.075	50,156	99.982	.073	Mar. 4 and 8	Mar. 7
Do	June 16, 1938	99	159,587	99.995	.018	99.980	.073	50,033	99.984	.059		
Mar. 16	June 15, 1938	91	204,681	99.990	.040	99.982	.071	50,208	99.982+	.070	Mar. 11 and 15	Mar. 14
Do	June 17, 1938	93	122,339	99.996	.015	99.980	.077	50,025	99.982	.068		
Mar. 23	June 17, 1938	86	118,569	[10] 99.993	.029	99.984	.067	50,099	99.986	.059	Mar. 18 and 22	Mar. 21
Do	June 22, 1938	91	242,126	99.993	.028	99.982	.071	100,282	99.983	.067		
Mar. 30	June 18, 1938	80	82,462	99.995	.023	99.978	.099	50,107	99.982	.081	Mar. 25 and 29	Mar. 28
Do	June 29, 1938	91	233,733	99.987	.051	99.976	.095	100,097	99.978	.087		
Apr. 6	July 6, 1938	91	199,200	99.980	.079	99.963	.146	100,325	99.965	.139	Apr. 1 and 5	Apr. 4
Apr. 13	July 13, 1938	91	197,199	99.972	.111	99.961	.154	100,188	99.963	.146	Apr. 8 and 12	Apr. 11
Apr. 20	July 20, 1938	91	376,161	[11] 99.987	.051	99.983	.067	100,420	99.985	.061	Apr. 15 and 19	Apr. 18
Apr. 27	July 27, 1938	91	158,930	100.000	.000	99.987	.051	50,050	99.991	.037	Apr. 22 and 26	Apr. 25
May 4	Aug. 3, 1938	91	187,632	100.000	.000	99.991	.036	50,021	99.992	.033	Apr. 29 and May 3	May 2
May 11	Aug. 10, 1938	91	211,547	[5] 99.995	.020	99.992	.032	50,109	99.993	.029	May 6 and 10	May 9
May 18	Aug. 17, 1938	91	204,464	[12] 99.996	.016	99.993	.028	50,269	99.993+	.027	May 13 and 17	May 16
May 25	Aug. 24, 1938	91	169,687	[13] 99.996	.016	99.993	.028	50,409	99.994	.025	May 20 and 24	May 23
June 1	Aug. 31, 1938	91	196,449	99.995	.020	99.993	.028	50,020	99.994	.025	May 25 and 28	May 27
June 8	Sept. 7, 1938	91	354,671	99.998	.008	99.989	.044	100,189	99.990	.040	June 3 and 7	June 6
June 15	Sept. 14, 1938	91	415,110	100.000	.000	99.992	.032	100,701	99.993	.027	June 10 and 14	June 13
June 22	Sept. 21, 1938	91	428,614	100.000	.000	99.996	.016	101,150	99.996	.016	June 17 and 21	June 20
June 29	Sept. 28, 1938	91	281,464	100.000	.000	99.996	.016	100,095	99.997	.011	June 24 and 28	June 27

[1] Bank discount basis.
[2] Except for 3 bids totaling $700,000.
[3] Revised, July 30, 1937.
[4] Except for 1 bid of $50,000.
[5] Except for 1 bid of $10,000.
[6] Except for 1 bid of $100,000.
[7] Except for 1 bid of $25,000.
[8] Except for 1 bid of $29,000.
[9] Except for 1 bid of $2,000.
[10] Except for 1 bid of $39,000.
[11] Except for 1 bid of $20,000.
[12] Except for 3 bids totaling $29,000.
[13] Except for 1 bid of $18,000.

104825—39——18

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

United States savings bonds

Exhibit 12

Sale of United States savings bonds of series C continued after December 31, 1937

[Second amendment to Department Circular No. 571. Public Debt]

TREASURY DEPARTMENT,
Washington, December 1, 1937.

United States savings bonds of series C will continue on sale indefinitely after December 31, 1937, without interruption. Paragraph 13 of Department Circular No. 571, dated December 16, 1936, is hereby amended to read as follows:

"13. United States savings bonds of series C, issued during the calendar year 1937, as evidenced by the issue date inscribed thereon at the time of issue, will form a separate series hereby designated series C–1937, and those issued during the calendar year 1938, will similarly form a separate series designated series C–1938. Savings bonds of series A, issued during the calendar year 1935, are hereby designated series A–1935, and those of series B, issued during the calendar year 1936, are hereby designated series B–1936."

The right is reserved at any time to terminate the sale of savings bonds of series C by notice given by the Secretary of the Treasury to the Postmaster General and to others concerned as designated sales agencies.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

Miscellaneous

Exhibit 13

An act to amend the Second Liberty Bond Act, as amended

[Public No. 552, 75th Cong., H. R. 10535]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 1 of the Second Liberty Bond Act, as amended (U. S. C., title 31, sec. 752), is amended by striking out the following: ": *Provided,* That the face amount of bonds issued under this section and section 22 of this act shall not exceed in the aggregate $25,000,000,000 outstanding at any one time."

SEC. 2. Section 21 of the Second Liberty Bond Act, as amended (U. S. C., title 31, sec. 757b), is amended to read as follows:

"SEC. 21. The face amount of bonds, certificates of indebtedness, Treasury bills, and notes issued under the authority of this act, and certificates of indebtedness issued under the authority of section 6 of the First Liberty Bond Act, shall not exceed in the aggregate $45,000,000,000 outstanding at any one time: *Provided,* That the face amount of bonds issued under the authority of this act shall not exceed in the aggregate $30,000,000,000 outstanding at any one time."

Approved, May 26, 1938.

Exhibit 14

First amendment, August 18, 1937, to Department Circular No. 368, prescribing general regulations governing full-paid interim certificates

TREASURY DEPARTMENT,
Washington, August 18, 1937.

1. Treasury Department Circular No. 368, dated August 16, 1926, prescribing general regulations governing full-paid interim certificates, is hereby amended by striking out paragraph (5) thereof and substituting the following:

"(5) Relief on account of lost or stolen, wholly or partly destroyed, or mutilated or defaced interim certificates will hereafter be granted as provided in section 8 of the Government Losses in Shipment Act, approved July 8, 1937 (Public 192, 75th Cong., ch. 444, 1st sess.), and in accordance with the provision of Department Circular 300, as amended or revised."

2. The Secretary of the Treasury may at any time, or from time to time, withdraw or amend any or all of the provisions of this amendatory circular.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 15

Second supplement, August 18, 1937, to Department Circular No. 300, prescribing regulations with respect to United States bonds and notes

TREASURY DEPARTMENT,
Washington, August 18, 1937.

1. Treasury Department Circular No. 300, dated July 31, 1923, prescribing regulations with respect to United States bonds and notes, is hereby amended by striking out paragraph 78 and inserting in lieu thereof the following:

"78. Relief on account of loss, theft, destruction, mutilation or defacement of United States securities may be given under the authority of and subject to the conditions set forth in section 8 of the 'Government Losses in Shipment Act,' approved July 8, 1937 (Public 192, 75th Cong., ch. 444, 1st sess.), which reads as follows:

" 'SEC. 8. (*a*) Whenever it is clearly proved to the satisfaction of the Secretary of the Treasury—

" '(1) That any interest-bearing security of the United States, identified by number and description, payable to bearer or so assigned as to become, in effect, payable to bearer, has been wholly or partly destroyed, or so mutilated or defaced as to impair its value to the owner, or has been lost or stolen under such circumstances, and such a period of time having elapsed after it has matured or has become redeemable pursuant to a call for redemption, as in the judgment of the Secretary would indicate that it has been destroyed or irretrievably lost, is not held by any person as his own property and will never become the basis of a valid claim against the United States; or

" '(2) That any interest-bearing security of the United States, identified by number and description, which is not payable to bearer and which has not been so assigned as to become, in effect, payable to bearer, has been lost or stolen, so that it is not held by any person as his own property, or has been wholly or partly destroyed, or so mutilated or defaced as to impair its value to the owner; the Secretary, upon receipt and approval by him of a bond of indemnity, if and as required by subsection (*b*) hereof, shall, in the case of a security which has not matured or become redeemable pursuant to a call for redemption, issue a substitute marked "duplicate" and showing the serial number of the original security; or shall, in the case of a security which has matured or become redeemable pursuant to a call for redemption, make payment thereof to the owner, with such interest only as would have been paid had the security been presented when it became due and payable: *Provided*, That in the case of an interim certificate relief may be given by the issue of a definitive security, whether before or after maturity, rather than by the issue of a substitute or by payment: *And provided further*, That no payment shall be made on account of interest coupons claimed to have been attached to such original security unless the Secretary is satisfied that such coupons have not been paid, and are in fact destroyed or can never become the basis of a valid claim against the United States.

" '(*b*) Except as hereinafter provided, the owner of such lost, stolen, destroyed, mutilated, or defaced security shall file with the Secretary of the Treasury a bond, to indemnify the United States, in such form and amount and with such surety, sureties, or security as the Secretary of the Treasury shall require: *Provided*, That in case of securities payable to bearer or so assigned as to become, in effect, payable to bearer, the destruction of which has not been proved, a corporate surety, qualified under the provisions of the act of August 13, 1894, as amended (U. S. C., 1934 edition, title 6, secs. 6–13), shall be required on such bond of indemnity: *And provided further*, That a bond of indemnity shall not be required in any of the following classes of cases, except as hereinafter provided:

" '(1) If the Secretary of the Treasury is satisfied that the loss, theft, destruction, mutilation, or defacement, as the case may be, occurred without fault of the owner and while the security was in the custody or the control of the United States (not including the Postal Service when acting solely in its capacity as the public carrier of the mails), or of a person thereunto duly authorized as lawful agent of the United States, or while it was in the course of shipment effected pursuant to and in accordance with the regulations issued under the provisions of this act;

" '(2) If substantially the entire security is presented and surrendered by the owner and the Secretary of the Treasury is satisfied as to the identity of the security presented and that any missing portions are not sufficient to form the basis of a valid claim against the United States;

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

" '(3) If the lost, stolen, destroyed, mutilated, or defaced security is one which by the provisions of law or by the terms of its issue is transferable only by operation of law;

" '(4) If the owner is a State or political subdivision thereof, a corporation the whole of whose capital is owned by the United States, a foreign government, or a Federal Reserve bank:

" '*Provided, however,* That in any of the foregoing classes of cases the Secretary of the Treasury may require a bond of indemnity if he deems it essential to the public interest.

" '(*c*) The term "interest-bearing security of the United States" or "security", wherever used in this section, means any direct obligation of the United States issued pursuant to law for valuable consideration, and which by its terms bears interest, or is issued on a discount basis, and includes (but is not limited to) bonds, notes, certificates of indebtedness, and Treasury bills, and interim certificates issued for any such security.

" '(*d*) The Secretary of the Treasury shall have the power to make such rules and regulations as he may deem necessary for the administration of this section.

" '(*e*) Sections 3702, as amended, 3703, 3704, and 3705 of the Revised Statutes of the United States (U. S. C., title 31, secs. 735, 736, 737, and 738) are hereby repealed.' "

2. Subject to the provisions of section 8 of the Government Losses in Shipment Act, quoted above, paragraphs 79 to 88, inclusive, of Treasury Department Circular 300, insofar as applicable, shall continue to govern the granting of relief on account of lost, stolen, destroyed, mutilated, or defaced securities of the United States, except that where, under the terms of said section a bond of indemnity is required, it shall be in a penal sum equal to the face amount of the lost, stolen, destroyed, mutilated, or defaced security, plus an amount sufficient to protect the United States from any loss on account of interest which may be payable on such lost, stolen, destroyed, mutilated, or defaced security.

3. Relief on account of the loss, defacement, or destruction of full-paid interim certificates of the First Liberty Loan will hereafter be granted as provided in section 8 of the Government Losses in Shipment Act, quoted above, and in accordance with the applicable provisions of paragraphs 79 to 88, inclusive, of Department Circular 300, as amended. Treasury Department Circular No. 118, dated July 12, 1918, prescribing regulations concerning full-paid interim certificates, First Liberty Loan, is hereby superseded, so far as it relates to relief on account of loss, defacement, or destruction of such interim certificates.

4. The Secretary of the Treasury may at any time, or from time to time, withdraw or amend any or all of the provisions of this supplementary circular.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Exhibit 16

Third supplement, June 27, 1938, to Department Circular No. 300, prescribing regulations with respect to United States bonds and notes

TREASURY DEPARTMENT,
Washington, June 27, 1938.

1. Paragraphs 15 and 16 of Department Circular No. 300, dated July 31, 1923, as amended, prescribing regulations with respect to United States bonds and notes, are hereby amended to read as follows:

"15. *On issues of registered bonds.*—Registered bonds to be delivered upon exchange, transfer, or other transactions, unless delivered in person to the registered owner or his duly authorized representative, will be delivered by registered mail without expense to, but at the risk of, the registered owner, except that delivery will be made by express collect at the risk and expense of the owner, if written instructions to that effect are given.

"16. *On issues of coupon bonds and notes.*—Coupon bonds or notes to be delivered upon exchange or other transaction, whether the bonds or notes to be exchanged are presented to the Treasury Department or to a Federal Reserve bank, unless delivered in person to the owner or his duly authorized representative, will be delivered in regular course by a Federal Reserve bank, by registered mail insured at the risk and expense of the owner, except that delivery will be made by express collect likewise at the risk and expense of the owner, if written instructions to that effect are given."

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

2. This supplementary circular shall be effective July 1, 1938, and the Secretary of the Treasury may at any time, or from time to time, withdraw or amend any or all of the provisions thereof.

STEPHEN B. GIBBONS,
Acting Secretary of the Treasury.

Exhibit 17

Order of the Acting Secretary of the Treasury, April 5, 1938, authorizing additional officers of the Treasury Department to witness and certify requests for payment of United States savings bonds and adjusted service bonds

In addition to the officers in the Treasury Department authorized pursuant to the provisions of Department Circular No. 300, as amended, to witness the assignments of registered issues of the United States, as set forth in order dated June 10, 1936, the following officers are hereby authorized to witness and certify requests for payment of United States savings bonds and adjusted service bonds only:

Chief, Securities Division, Office of the Treasurer of the United States.
Assistant Chief, Securities Division, Office of the Treasurer of the United States.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Exhibit 18

Order of the Acting Secretary of the Treasury, April 6, 1938, revoking the authority, contained in the order of June 10, 1936, for certain officers of the Treasury Department to witness and certify requests for payment of adjusted service bonds

By order dated June 10, 1936, pursuant to the provisions of Department Circular No. 560, certain officers of the Treasury Department in Washington, in addition to those officers generally authorized to witness assignments of United States registered issues, were authorized to witness and certify requests for payment by the Treasurer of the United States of adjusted service bonds.

The special authority contained in that order is hereby revoked effective on and after May 1, 1938.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

SECURITIES GUARANTEED BY THE UNITED STATES

Exhibit 19

Section 20 of the United States Housing Act of 1937 (Public No. 412, September 1, 1937), guaranteeing principal and interest of obligations of the United States Housing Authority

SEC. 20. (a) The [United States Housing] Authority is authorized to issue obligations in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this act. [The Authority may issue such obligations in an amount not to exceed $100,000,000 on or after the date of enactment of this act, an additional amount not to exceed $200,000,000 on or after July 1, 1938, and an additional amount not to exceed $200,000,000 on or after July 1, 1939.] *The Authority may issue such obligations in an amount not to exceed $800,000,000.*[1] Such obligations shall be in such forms and denominations, mature within such periods not exceeding sixty years from date of issue, bear such rates of interest not exceeding 4 per centum per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority, with the approval of the Secretary of the Treasury.

(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

[1] Amended by sec. 602 of Pub. Res. No. 122, June 21, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and, in the event that the Authority shall be unable to make any such payment upon demand when due, payments shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

(d) Such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public debt transactions of the United States.

(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.

Exhibit 20

Portions of section 3 of the National Housing Act Amendments of 1938 (Public No. 424, February 3, 1938), relative to the guarantee by the United States of debentures of the mutual mortgage insurance fund and the housing insurance fund

SEC. 3. Title II of the National Housing Act, as amended, is amended to read as follows:

"TITLE II—MORTGAGE INSURANCE

* * * * * * *

"PAYMENT OF INSURANCE

* * * * * * *

"[SEC. 204] (d) The debentures issued under this section to any mortgagee with respect to mortgages insured under section 203 shall be executed in the name of the mutual mortgage insurance fund as obligor, shall be signed by the [Federal Housing] Administrator by either his written or engraved signature, and shall be negotiable and the debentures issued under this section to any mortgagee with respect to mortgages insured under section 210 shall be executed in the name of the housing insurance fund as obligor, shall be signed by the Administrator by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date foreclosure proceedings were instituted, or the property was otherwise acquired by the mortgagee after default, and shall bear interest from such date at a rate determined by the Administrator, with the approval of the Secretary of the Treasury, at the time the mortgage was offered for insurance, but not to exceed 3 per centum per annum, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature three years after the 1st day of July following the maturity date of the mortgage on the property in exchange for which the debentures were issued. Such debentures as are issued in exchange for property covered by mortgages insured under section 203 or section 207 prior to the date of enactment of the National Housing Act Amendments of 1938 shall be subject only to such Federal, State, and local taxes as the mortgages in exchange for which they are issued would be subject to in the hands of the holder of the debentures and shall be a liability of the [mutual mortgage insurance] fund, but such debentures shall be fully and unconditionally guaranteed as to principal and interest by the United States; but any mortgagee entitled to receive any such debentures may elect to receive in lieu thereof a cash adjustment and debentures issued as hereinafter provided and bearing the current rate of interest. Such debentures as are issued in exchange for property covered by mortgages insured after the date of enactment of the National Housing Act

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; and such debentures shall be paid out of the [mutual mortgage insurance] fund, or the housing [insurance] fund, as the case may be, which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures. In the event that the [mutual mortgage insurance] fund or the housing [insurance] fund fails to pay upon demand, when due, the principal of or interest on any debentures issued under this section, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

* * * * * * *

"RENTAL HOUSING INSURANCE

* * * * * * *

"[SEC. 207] (i) Debentures issued under this section upon the assignment of an insured mortgage to the [Federal Housing] Administrator shall be executed in the name of the housing insurance fund as obligor, shall be signed by the Administrator, by either his written or engraved signature, and shall be negotiable. They shall bear interest at a rate determined by the Administrator, with the approval of the Secretary of the Treasury, at the time the mortgage was insured, but not to exceed 3 per centum per annum payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature three years after the 1st day of July following the maturity date of the mortgage in exchange for which the debentures were issued. Such debentures as are issued in exchange for mortgages insured after the date of enactment of the National Housing Act Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. They shall be paid out of the housing [insurance] fund which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures. In the event the housing [insurance] fund fails to pay upon demand, when due, the principal of or interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon, to the extent of the amounts so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

Exhibit 21

Section 1105 (c) of the Merchant Marine Act, 1936, as amended June 23, 1938 (Public No. 705), guaranteeing principal and interest of debentures of the Federal ship mortgage insurance fund

(c) The debentures issued under this section shall be executed in the name of the [Federal ship mortgage insurance] fund as obligor, shall be signed by the Chairman of the United States Maritime Commission by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date foreclosure proceedings were instituted, or the property was otherwise acquired by the mortgagee after default, and shall bear interest from such date at a rate determined by the Commission, with the approval of the Secretary of the Treasury, at the time the mortgage was offered for insurance, but not to exceed 3 per centum per annum, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature three years after the 1st day of July following the maturity date of the mortgage on the property in exchange for which the debentures were issued. They shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

possession thereof, or by any State, county, municipality, or local taxing authority. They shall be paid out of the fund, which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures. In the event that the fund fails to pay upon demand, when due, the principal of, or interest on, any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

Exhibit 22

An act to maintain unimpaired the capital of the Commodity Credit Corporation at $100,000,000, and for other purposes

[Public No. 442, 75th Cong., H. R. 9361]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as of the 31st of March in each year and as soon as possible thereafter, beginning with March 31, 1938, an appraisal of all the assets and liabilities of the Commodity Credit Corporation for the purpose of determining the net worth of the Commodity Credit Corporation shall be made by the Secretary of the Treasury. The value of assets shall, insofar as possible, be determined on the basis of market prices at the time of appraisal and a report of any such appraisal shall be submitted to the President as soon as possible after it has been made. In the event that any such appraisal shall establish that the net worth of the Commodity Credit Corporation is less than $100,000,000, the Secretary of the Treasury, on behalf of the United States, shall restore the amount of such capital impairment by a contribution to the Commodity Credit Corporation in the amount of such impairment. To enable the Secretary of the Treasury to make such payment to the Commodity Credit Corporation, there is hereby authorized to be appropriated annually, commencing with the fiscal year 1938, out of any money in the Treasury not otherwise appropriated, an amount equal to any capital impairment found to exist by virtue of any appraisal as provided herein.

SEC. 2. In the event that any appraisal pursuant to section 1 of this act shall establish that the net worth of the Commodity Credit Corporation is in excess of $100,000,000, such excess shall, as soon as practicable after such appraisal, be deposited in the Treasury by the Commodity Credit Corporation and shall be credited to miscellaneous receipts. The Secretary of the Treasury is directed, as soon as practicable, to use any amounts so deposited to retire an equivalent amount of the public debt, which amount shall be in addition to any other amount required to be used for such purpose.

SEC. 3. The Secretary of Agriculture, the Governor of the Farm Credit Administration, and the Reconstruction Finance Corporation are hereby authorized and directed to transfer to the United States all right, title, and interest in and to the capital stock of the Commodity Credit Corporation which each of them now holds. All rights of the United States arising out of the ownership of such capital stock shall be exercised by the President, or by such officer, officers, agency, or agencies as he shall designate, and in such manner as he shall prescribe.

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding $500,000,000. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same. The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

SEC. 5. Bonds, notes, debentures, and other similar obligations issued by the Commodity Credit Corporation under the provisions of this act shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes). The Commodity Credit Corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the Commodity Credit Corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

Approved, March 8, 1938.

Exhibit 23

Offering of ¾ percent notes of series C of the Commodity Credit Corporation

On April 25, 1938, Secretary of the Treasury Morgenthau, on behalf of the Commodity Credit Corporation, invited subscriptions for ¾ percent notes of series C of the Corporation. The notes were offered for cash and in exchange for series B collateral trust notes of the Corporation, maturing May 2, 1938.

[Department Circular No. 583. Public Debt]

TREASURY DEPARTMENT,
Washington, April 25, 1938.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the Commodity Credit Corporation, designated ¾ percent notes of series C. The amount of the offering is $200,000,000, or thereabouts.

II. DESCRIPTION OF NOTES

1. The notes will be dated May 2, 1938, and will bear interest from that date at the rate of ¾ percent per annum, payable semiannually on November 2, 1938, and on May 2 and November 2, 1939. They will mature November 2, 1939, and will not be subject to call for redemption prior to maturity.

2. These notes are issued under the authority of the act approved March 8, 1938 (Public No. 442, 75th Cong.), which provides that these notes shall be fully and unconditionally guaranteed both as to interest and principal by the United States; that they shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

shall be exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes); and that the notes shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act further provides that in the event the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations.

4. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

5. Bearer notes with interest coupons attached will be issued in denominations of $1,000, $5,000, $10,000, and $100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payments of 10 percent of the amount of notes applied for. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, subscriptions in payment of which series B collateral trust notes of the Corporation are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted on cash subscriptions must be made or completed on or before May 2, 1938, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Series B collateral trust notes of the Commodity Credit Corporation, maturing May 2, 1938, will be accepted at par in payment for any notes subscribed for and allotted and should accompany the subscription.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 24

Subscriptions and allotments, Commodity Credit Corporation notes of series C (from press releases, April 26 and 29 and May 2, 1938[1])

On April 25, 1938, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of notes of series C of the Commodity Credit Corporation closed at the close of business April 25, 1938, for the receipt of cash subscriptions. Reports from the Federal Reserve banks showed that $1,839,386,000 of cash subscriptions were received, of which $147,744,000 were accepted. Cash subscriptions were allotted 8 percent, but not less than $1,000 on any one subscription.

The books for the receipt of subscriptions in payment of which series B collateral trust notes of the Corporation were tendered closed at the close of business April 27, 1938. Exchange subscriptions totaled $58,430,000 and were allotted in full.

Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Casb subscriptions received	Exchange subscriptions received and allotted	Total subscriptions received	Cash subscriptions allotted	Total subscriptions allotted
Boston	$135, 107, 000	$2, 655, 000	$137, 762, 000	$10, 856, 000	$13, 511, 000
New York	1, 006, 296. 000	17, 770, 000	1, 024, 066, 000	80, 584, 000	98, 354, 000
Philadelphia	78, 770, 000	70, 000	78, 840, 000	6, 327, 000	6, 397, 000
Cleveland	98, 577, 000	1, 730, 000	100, 307, 000	7, 943, 000	9, 673, 000
Richmond	61, 069, 000	1, 145, 000	62, 214, 000	4, 919, 000	6, 064, 000
Atlanta	47, 355, 000	1, 100, 000	48, 455, 000	3, 916, 000	5, 016, 000
Chicago	136, 750, 000	15, 915, 000	152, 665, 000	11, 143, 000	27, 058, 000
St. Louis	49, 292, 000	6, 930, 000	56, 222, 000	4. 046, 000	10, 976, 000
Minneapolis	19, 429, 000	1, 010, 000	20, 439, 000	1, 631, 000	2, 641, 000
Kansas City	28, 541, 000	2, 455, 000	30, 996, 000	2, 325, 000	4, 780, 000
Dallas	28, 809, 000	4, 225, 000	33, 034, 000	2, 360, 000	6, 585, 000
San Francisco	140, 641, 000	3, 425. 000	144, 066. 000	10, 994, 000	14, 419, 000
Treasury	8, 750, 000	----------	8, 750, 000	700, 000	700, 000
Total	1, 839, 386, 000	58, 430, 000	1, 897, 816, 000	147, 744, 000	206, 174, 000

MONETARY DEVELOPMENTS[2]

Exhibit 25

Announcement by the Secretary of the Treasury, February 14, 1938, with respect to acquisitions of gold by the Treasury Department

On December 22, 1936, the Secretary of the Treasury stated that, after conferring with the Board of Governors of the Federal Reserve System, he proposed to take appropriate action with respect to net additional acquisitions or releases of gold by the Treasury Department whenever it was deemed advisable and in the public interest to do so.

In pursuance of that policy, the Secretary of the Treasury, after conferring with the Board of Governors of the Federal Reserve System, today announces that gold acquired by the mints and assay offices after January 1, 1938, will be included in the inactive gold account only to the extent that such acquisitions in any one quarter exceed $100,000,000. No change is being made in the procedure whereby any gold released by the mints and assay offices is taken from the inactive gold account.

[1] Revised May 31, 1938.

[2] Newly Mined Domestic Silver Regulations of January 10, 1938, are available separately and are not reproduced here.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 26

Announcement by the Secretary of the Treasury, April 19, 1938, of the discontinuance of the inactive gold account

On December 22, 1936, the Secretary of the Treasury stated that, after conferring with the Board of Governors of the Federal Reserve System, he proposed to take appropriate action with respect to net additional acquisitions or releases of gold by the Treasury Department whenever it was deemed advisable and in the public interest to do so.

In pursuance of that policy, the Secretary of the Treasury, after conferring with the Board of Governors of the Federal Reserve System, today announces that the inactive gold account has been discontinued.

Exhibit 27

Memorandum of the Secretary of the Treasury, approved by the President September 14, 1937, relative to newly mined domestic silver mined prior to midnight of December 31, 1937

MEMORANDUM FOR THE PRESIDENT

The Silver Proclamation of December 21, 1933, as amended, provides: "This proclamation shall remain in force and effect until the thirty-first day of December 1937, unless repealed or modified by act of Congress or by subsequent proclamation."

As you know, in the normal course a considerable period of time elapses between the date silver is mined and the date when the refining of the silver has been completed and the silver is delivered to a mint. Accordingly, a question has arisen as to whether domestic silver mined prior to midnight, December 31, 1937, may be received by the mints after that date under said proclamation.

I am advised by the General Counsel of the Treasury that in his opinion the mints may continue after December 31, 1937, to receive under said proclamation domestic silver mined prior to midnight, December 31, 1937, and otherwise complying with the proclamation. I am in accord with such opinion. Accordingly, if you approve, the mints will be instructed that they may continue after December 31, 1937, to accept under said proclamation newly mined domestic silver mined prior to midnight of December 31, 1937.

If you approve of the foregoing, I should appreciate it if you would so indicate below.

H. MORGENTHAU, JR.,
Secretary of the Treasury.

Approved:
FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,
September 14, 1937.

Exhibit 28

Proclamation, December 30, 1937, modifying the proclamation of December 21, 1933, as modified, relating to newly mined domestic silver

Whereas, by proclamation of the twenty-first day of December 1933, as modified by proclamations of the ninth day of August 1934, and the tenth and twenty-fourth days of April 1935, the United States coinage mints are directed to receive for coinage and addition to the monetary stocks of the United States silver mined subsequent to December 21, 1933, from natural deposits in the United States or any place subject to the jurisdiction thereof; and

Whereas, such proclamation as so modified states in part that:

"This proclamation shall remain in force and effect until the thirty-first day of December 1937, unless repealed or modified by act of Congress or by subsequent proclamation." and that

"Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interest of the United States may seem to require."

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Now, therefore, finding that the interests of the United States require further modification of said proclamation of the twenty-first day of December 1933, as so modified; by virtue of the power in me vested by the act of Congress cited in said proclamation, and other legislation designated for national recovery, and by virtue of all other authority in me vested;

I, Franklin D. Roosevelt, President of the United States of America, do hereby further modify the said proclamation of the twenty-first day of December 1933, so that the same shall remain in force and effect until the 31st day of December 1938, and so that the amount of deduction for seigniorage, brassage, coinage, and other mint charges from the monetary value of silver delivered thereunder which has been mined on or after January 1, 1938, shall be 50 percent of such monetary value; and I do proclaim and direct that, with respect to all silver received by a United States coinage mint under the provisions of the said proclamation of the twenty-first day of December 1933, which such mint, subject to regulations prescribed hereunder by the Secretary of the Treasury, is satisfied has been mined on or after January 1, 1938, from natural deposits in the United States or any place subject to the jurisdiction thereof, the deduction for seigniorage and services performed by the Government shall be 50 percent and there shall be returned therefor, in standard silver dollars, silver certificates, or any other coin or currency of the United States, the monetary value of the silver so received (that is, $1.2929+ per fine ounce), less such deduction of 50 percent, and that the said proclamation of the twenty-first day of December 1933, as heretofore and hereby modified shall remain in force and effect until the 31st day of December 1938, unless repealed or further modified by act of Congress or by subsequent proclamation.

Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interests of the United States may seem to require.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 30th day of December, in the year of our Lord nineteen hundred and thirty-seven, and of the Independence of the United States of America the one hundred and sixty-second.

[SEAL] FRANKLIN D. ROOSEVELT.

By the President:
CORDELL HULL,
Secretary of State.

Exhibit 29

Proclamation, April 28, 1938, revoking, except as provided therein, the proclamation of August 9, 1934, relating to silver

Whereas by Proclamation No. 2092 of August 9, 1934, the United States mints were directed to receive for coinage or for addition to the monetary stocks of the United States silver situated on August 9, 1934, in the continental United States, including the Territory of Alaska; and

Whereas such proclamation provides, in part:

"Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interest of the United States may seem to require."

And whereas I find that the interest of the United States requires the revocation, except as herein provided, of the said proclamation:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested in me by section 43 (b) (2), title III of the act of May 12, 1933, 48 Stat. 52, as amended, and the Silver Purchase Act of 1934 (48 Stat. 1178), and by virtue of all other authority in me vested, do hereby revoke the said Proclamation No. 2092 of August 9, 1934, except as to the provisions thereof relating to settlement for silver received by the United States coinage mints pursuant to Proclamation No. 2067 of December 21, 1933, which provisions shall not be affected by this proclamation.

Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interest of the United States may seem to require.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Done at the City of Washington this 28th day of April, in the year of our Lord nineteen hundred and thirty-eight, and of the Independence of the United States of America the one hundred and sixty-second.

[SEAL] FRANKLIN D. ROOSEVELT.

By the President:
SUMNER WELLES,
Acting Secretary of State.

Exhibit 30

Executive Order No. 7877, April 28, 1938, revoking Executive orders of August 9, 1934, and November 2, 1934, relating to silver

By virtue of the authority vested in me by the Silver Purchase Act of 1934 and of all other authority vested in me, Executive Order No. 6814, dated August 9, 1934, and Executive Order No. 6895A, dated November 2, 1934, are hereby revoked. The revocation of said Executive orders shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal cause prior to this revocation, and all penalties, forfeitures, and liabilities under said Executive orders shall continue and may be enforced as if said revocation had not been made.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 28, 1938.*

Exhibit 31

Order of the Secretary of the Treasury, April 28, 1938, revoking the orders of the Secretary of the Treasury of June 28, 1934, and May 20, 1935, relating to silver, and the Silver Regulations of August 17, 1934, as amended

The order of the Secretary of the Treasury of June 28, 1934, relating to silver, the order of the Secretary of the Treasury of May 20, 1935, amending the said order of June 28, 1934, and the Silver Regulations of August 17, 1934, as amended, are hereby revoked. The revocation of such orders and regulations shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal cause prior to this revocation, and all penalties, forfeitures, and liabilities under such orders and regulations shall continue and may be enforced as if said revocation had not been made.

H. MORGENTHAU, JR.,
Secretary of the Treasury.

Approved:
FRANKLIN D. ROOSEVELT,
THE WHITE HOUSE, *April 28, 1938.*

Exhibit 32

Announcement by the Secretary of the Treasury, April 28, 1938, of the revocation of a proclamation and certain orders and regulations relating to silver

Secretary Morgenthau announced today that the following proclamation, orders, and regulations relating to silver were revoked today, April 28, 1938:

1. Executive Order No. 6814 dated August 9, 1934, and the amendment thereto, Executive Order No. 6895A, dated November 2, 1934,
2. Proclamation No. 2092 of August 9, 1934 (except certain provisions relative to settlement for newly mined domestic silver received by United States coinage mints under Proclamation No. 2067 of December 21, 1933, as modified),
3. The orders of the Secretary of the Treasury of June 28, 1934, and May 20, 1935,
4. The Silver Regulations of August 17, 1934, as amended.

The revoked Executive order and proclamation required the delivery to, and directed the receipt by, the United States mints of silver situated in the United States on August 9, 1934.

The revocation of the orders of the Secretary of the Treasury eliminates the restrictions imposed by such orders upon the importation and exportation of silver.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The revoked regulations were issued under, and implemented, the revoked proclamation and orders and prescribed the required reports and records relative to silver holdings and transactions.

The revocations in no way affect the application of the tax on silver transfers under subdivision 10 of schedule A of title VIII of the Revenue Act of 1926, as added by section 8 of the Silver Purchase Act of 1934.

Likewise, the revocations do not in any way affect the continued receipt of newly mined domestic silver under the proclamation by the President of December 21, 1933, as modified.

Exhibit 33

Statement by the Secretary of the Treasury and the Minister of Finance of China, July 9, 1937, announcing further progress in monetary cooperation between the two countries

The following joint statement is made by the Secretary of the Treasury and the Minister of Finance of China:

The monetary cooperation which resulted from the conference of the Secretary of the Treasury of the United States of America with representatives of the Chinese Ministry of Finance in May 1936 has contributed to the very successful functioning of the new Chinese monetary system with benefits both to the internal economy of China and to American trade.

We are now able to announce further progress in monetary cooperation between the two countries in pursuit of the understanding reached a year ago. At that time the Secretary of the Treasury, in a public statement, said:

"I feel confident that the monetary program being pursued by the National Government of China is not only along sound lines, but constitutes an important step toward the desired goal of stability of world currencies.

"To supplement their efforts toward that objective and to cooperate with them in their program of monetary reform and currency stabilization, and in accordance with our silver purchase policy, we have definitely indicated our willingness, under conditions mutually acceptable, to make purchases from the Central Bank of China of substantial amounts of silver, and also to make available to the Central Bank of China, under conditions which safeguard the interests of both countries, dollar exchange for currency stabilization purposes."

At the same time, the Minister of Finance of China in a public statement expressed the firm belief that the new measures of monetary reform which were then being adopted by the Chinese Government, and the arrangements made with the United States would insure the stability of the Chinese currency, and this would inevitably lead to greater economic improvement and prosperity of the Chinese people.

Arrangements have now been made through which the Government of China will purchase from the United States Treasury a substantial amount of gold. To aid the Chinese Government thus to augment its gold reserves, and in accordance with the terms of the United States Silver Purchase Act of 1934, the United States Treasury will purchase an additional amount of silver from the Chinese Government.

The United States Treasury will also broaden the scope of the arrangements under which the Central Bank of China has been enabled, under conditions which safeguard the interests of both countries, to obtain dollar exchange for currency stabilization purposes.

Both the Secretary of the Treasury and the Finance Minister of China are greatly gratified by the beneficial results to both countries which have been the consequence of their understanding reached last year, and they are equally gratified to be able to announce further progress in their cooperation. It is a source of satisfaction to them that the program of monetary reforms and currency stabilization in China has been carried out with great success and has been accompanied by an increase of trade between China and other nations, particularly the United States, which occupies the first place in China's foreign trade.

Because of his desire to express the appreciation of the Chinese Government and the people of China, the Chinese Minister of Finance came in person to the United States to conduct the negotiations which have just been concluded.

The Secretary of the Treasury greatly appreciates having had this opportunity for personal contact with the Finance Minister of China and of undertaking in conference with him to further the welfare of both countries.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 34

Statement by the Secretary of the Treasury and the Minister of Finance of Brazil, July 16, 1937, relative to gold and dollar exchange

The following joint statement is made by the Secretary of the Treasury and the Minister of Finance of Brazil:

The Secretary of the Treasury of the United States of America and the Minister of Finance of the United States of Brazil are entering into an agreement under which:

1. The United States undertakes to sell gold to Brazil at such times and in such amounts as the Brazilian Government may request, up to a total of $60,000,000;

2. The United States will make dollar exchange available to the Government of Brazil or its fiscal agent, under conditions which safeguard the interests of both countries, for the purpose of promoting exchange equilibrium.

The agreement is designed to promote the development of conditions favorable to the maintenance of monetary equilibrium between the two countries and to facilitate the establishment by the United States of Brazil of a central reserve bank as a part of the program of the Brazilian Government for improving the financial structure of the Nation to meet the needs of its expanding economy.

In recent years there has occurred a notable improvement of the trade and financial position of Brazil. It is a matter of gratification both to the Secretary of the Treasury and the Finance Minister that this favorable development of the Brazilian economy makes feasible at this time this important step.

Both the Secretary of the Treasury and the Minister of Finance are pleased to have had this opportunity to extend the field of cooperation between their countries and, in accordance with their conversations, the Secretary of the Treasury stands ready to supply such technical assistance as Brazil may care to avail itself of in connection with the organization of the new bank.

Exhibit 35

Announcement by the Secretary of the Treasury and the Minister of Finance of Mexico, December 31, 1937, relative to the peso-dollar exchange and silver

Secretary Morgenthau and Minister of Finance Suarez announce that they have reached a mutually satisfactory understanding on common problems before the two Treasuries.

Arrangements have been made looking to the continued stability of peso-dollar exchange, thereby facilitating orderly exchange transactions.

Likewise, mutually satisfactory arrangements have been made with regard to Mexican silver.

Exhibit 36

Statement by the Secretary of the Treasury, March 27, 1938, that the Treasury will defer continuation of the monthly silver purchase arrangements with Mexico

The following statement by Secretary Morgenthau was made public on March 27, 1938:

"In view of the decision of the Government of the United States to reexamine certain of its financial and commercial relationships with Mexico, the Treasury will defer continuation of the monthly silver purchase arrangements with Mexico until further notice."

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TAXATION [1]

Exhibit 37

An act to amend the stamp provisions of the Bottling in Bond Act

[Public No. 198, 75th Cong., H. R. 6737]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first and fourth paragraphs of section 1 of the act entitled "An act to allow the bottling of distilled spirits in bond," approved March 3, 1897, as amended (U. S. C., 1934 edition, Supp. II, title 26, sec. 1276), are designated "(1)" and "(6)," respectively, and the second and third paragraphs of said section are amended to read as follows:

"(2) Every bottle when filled shall have affixed thereto and passing over the mouth of the same a stamp denoting the quantity of distilled spirits contained therein and evidencing the bottling in bond of such spirits under the provisions of this act, and of regulations prescribed hereunder.

"(3) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe (a) regulations with respect to the time and manner of applying for, issuing, affixing, and destroying stamps required by this section, the form and denominations of such stamps, applications for purchase of the stamps, proof that applicants are entitled to such stamps, and the method of accounting for receipts from the sale of such stamps, and (b) such other regulations as the Commissioner shall deem necessary for the enforcement of this act.

"(4) Such stamps shall be issued by the Commissioner of Internal Revenue to each collector of internal revenue, upon his requisition in such numbers as may be necessary in his district, and, upon compliance with the provisions of this act and regulations issued hereunder shall be sold by collectors to persons entitled thereto, at a price of 1 cent for each stamp, except that in the case of stamps for containers of less than one-half pint, the price shall be one-quarter of 1 cent for each stamp.

"(5) And there shall be plainly burned, embossed, or printed on the side of each case, to be known as the Government side, such marks, brands, and stamps to denote the bottling in bond of the whisky packed therein as the Commissioner may by regulations prescribe."

Approved, July 9, 1937.

Exhibit 38

An act to amend section 3336 of the Revised Statutes, as amended, pertaining to brewers' bonds, and for other purposes

[Public No. 620, 75th Cong., H. R. 8665]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3336 of the Revised Statutes, as amended (U. S. C., 1934 edition, Supp. III, title 26, sec. 1334 (b)), is further amended to read as follows:

"SEC. 3336. Every brewer, on filing notice as provided by law of his intention to commence or continue business, shall execute a bond to the United States in a penal sum equal to the amount of the tax on fermented malt liquor which, in the opinion of the Commissioner of Internal Revenue, said brewer will be liable to pay during any one month: *Provided,* That the penal sum of any such bond shall not exceed $100,000 nor be less than $1,000. The bond shall be conditioned that the brewer shall pay, or cause to be paid, as herein provided, the tax required by law on all beer, lager beer, ale, porter, and other fermented liquors made by or for him, before the same is sold or removed for consumption or sale, except as hereinafter provided; and that he shall keep, or cause to be kept, in the manner

[1] The following laws which modify the tax system are not included: Public No. 377, August 26, 1937, Revenue Act of 1937; Public No. 554, May 28, 1938, Revenue Act of 1938; Public No. 400, August 28, 1937, an act to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets; Public No. 696, June 22, 1938, amending the Bankruptcy Act of 1898—secs. 267 to 270, 395, 396, 399 (4), 520 to 522, 526 (4), and 679 relate to exemption of certain transfers from stamp tax and the nonrecognition of income arising from and the reduction of the basis of the debtor's property due to the cancelation of indebtedness; Public No. 721 (see p. 332), sec. 20 provides that in certain cases taxes shall not be construed as customs duties: Public No. 722, sec. 13 (a), effective July 1, 1939, exempts railroad carriers and certain related and controlled companies from the employer's tax imposed under title IX of the Social Security Act, and in lieu thereof section 8 provides for contributions at the same rate to be administered by the Railroad Retirement Board.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

required by law, a book which shall be open to inspection by the proper officers, as by law required; and that he shall in all respects faithfully comply, without fraud or evasion, with all requirements of law relating to the manufacture and sale of any malt liquors aforesaid. Once in every four years, or whenever required so to do by the Commissioner of Internal Revenue, or such officer as may be designated by the Commissioner of Internal Revenue, the brewer shall execute a new bond in the penal sum prescribed in pursuance of this section, and conditioned as above provided, which bond shall be in lieu of any former bond or bonds of such brewer in respect to all liabilities accruing after its approval."

Approved, June 15, 1938.

Exhibit 39

An act to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner

[Public No. 635, 75th Cong., H. R. 10459]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 618 (a) of the Revenue Act of 1918 (U. S. C., 1934 edition, title 26, sec. 1303) is amended to read as follows:

"SEC. 618. (a) That under such regulations and upon the execution of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, domestic wines subject to the taxes imposed by sections 611 or 613 as amended, may be removed from the winery where produced, free of tax, for storage on other bonded winery or bonded storeroom premises, or from such premises to other such bonded premises, or for exportation from the United States or for use as distilling material at any regularly registered distillery or industrial alcohol plant: *Provided, however,* That the distiller using any such wine as distilling material shall, subject to the provisions of section 3309 of the Revised Statutes, as amended, be held to pay the tax on the product of such wines as will include both the alcoholic strength therein produced by fermentation and that obtained from the brandy or wine spirits added to such wines at the time of fortification: *Provided further,* That suitable samples of brandy or fruit spirits may be withdrawn under rules and regulations to be prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, which samples shall be tax-free if for laboratory analysis and tax-paid if for any other use: *Provided further,* That the Commissioner of Internal Revenue, under rules and regulations to be by him prescribed subject to the approval of the Secretary of the Treasury, shall remit or refund all fortification taxes assessed or paid upon the quantity of fortifying spirits contained in wines exported, or which have become unfit for use as wine and are used as distilling material."

SEC. 2. Section 410 of the Liquor Tax Administration Act (U. S. C., 1934 edition, Supp. III, title 26, sec. 1320a) is amended to read as follows:

"SEC. 410. Under rules and regulations to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, distillers may collect, in locked tanks, distillates containing one-half of 1 per centum or more of aldehydes or 1 per centum or more of fusel oil (heads and tails) removed in the course of distillation. The distillates so collected may, under regulations prescribed by the Commissioner, with the approval of the Secretary, be removed from such distillery for denaturation or be destroyed in the manner prescribed by the Commissioner, under the supervision of an internal revenue officer to be designated by the Commissioner, and when so denatured or destroyed shall not be subject to the tax imposed by law upon distilled spirits. Such distillates so collected in fruit brandy distilleries may, under regulations to be prescribed by the Commissioner, with the approval of the Secretary, be drawn into approved casks, barrels, or other containers and stored in the brandy deposit room of the fruit brandy distillery where produced pending removal for denaturation or destruction."

SEC. 3. The Commissioner of Internal Revenue, under rules and regulations to be by him prescribed with the approval of the Secretary of the Treasury, upon the presentation of proof to his satisfaction of the loss by leakage, evaporation, theft, or otherwise of brandy or fruit spirits, intended for the fortification of wine,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

from storage tanks in bonded warehouses or from steel drums filled therefrom while such drums are in such warehouse, and in the fortification room of a bonded winery, not occurring as the result of any negligence, connivance, collusion, or fraud on the part of the winemaker or his agents, is hereby authorized to remit or refund the taxes assessed or paid upon such lost brandy or fruit spirits: *Provided, however,* That such remission or refund shall be allowed only to the extent that the distiller or winemaker is not indemnified or recompensed for such loss.

SEC. 4. The first paragraph of section 602 of the Revenue Act of 1918, as amended (U. S. C., 1934 edition, Supp. III, title 27, sec. 74b), is amended by inserting in lieu of the period at the end thereof a colon and the following: "*Provided,* That under the provisions of this section insofar as applicable, the Commissioner of Internal Revenue may, under rules and regulations to be by him prescribed, subject to the approval of the Secretary of the Treasury, permit the transfer of fortifying spirits containing more than one hundred and fifty-nine degrees proof up to and including one hundred and ninety-two degrees proof by pipe line from registered fruit distilleries and receiving cisterns in such distilleries to storage tanks in the internal revenue bonded warehouse located on the distillery premises to be warehoused in such storage tanks and transferred by pipe line to the fortification rooms of contiguous wineries when required."

SEC. 5. Subdivision (g) of paragraph "Fifth" of section 3244 of the Revised Statutes, as amended (U. S. C., 1934 edition, Supp. III, title 26, sec. 1394 (e) (3)), is amended to read as follows:

"(g) Notwithstanding the foregoing provisions of this section, each person making sales of fermented malt liquor or wine to the members, guests, or patrons of bona fide fairs, reunions, picnics, carnivals, or other similar outings, and each fraternal, civic, church, labor, charitable, benevolent, or ex-service men's organization making sales of fermented malt liquor or wine on the occasion of any kind of entertainment, dance, picnic, bazaar, or festival held by it, if such person or organization is not otherwise engaged in business as a wholesale or retail liquor dealer or as a wholesale or retail malt liquor dealer, shall pay, before any such sales are made and in lieu of the special taxes imposed by subdivision (a) of this paragraph and subdivision (a) of paragraph 'Fourth' of this section (U. S. C., 1934 edition, Supp. III, title 26, sec. 1934 (b) (1)) a special tax of $2 as a retail dealer in malt liquors, if fermented malt liquor only is sold, or a special tax of $2 as a retail dealer in liquors if wine only, or wine and fermented malt liquor only, are sold for each calendar month in which any such sales are made."

SEC. 6. The fourth paragraph of section 605 of the Revenue Act of 1918, approved February 24, 1919 (U. S. C., 1934 edition, title 26, sec. 1151 (b)), is amended to read as follows:

"The taxes imposed by the first paragraph of this section shall not attach to cordials or liqueurs on which a tax is imposed and paid under sections 611 or 613 of this act, as amended, nor to the mixing and blending of wines, where such blending is for the sole purpose of perfecting such wines according to commercial standards, nor to blends made exclusively of two or more pure straight whiskies aged in wood for a period not less than four years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below ninety proof; nor to blends made exclusively of two or more pure fruit brandies distilled from the same kind of fruit, aged in wood for a period not less than two years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below ninety proof: *Provided,* That such blended whiskies and blended fruit brandies shall be exempt from tax under the first paragraph of this section only when compounded under the immediate supervision of a revenue officer, in such tanks and under such conditions and supervision as the Commissioner, with the approval of the Secretary, may prescribe."

SEC. 7. The second paragraph added to section 605 of the Revenue Act of 1918, as amended, by section 319 (b) of the Liquor Tax Administration Act (U. S. C., 1934 edition, Supp. III, title 26, sec. 1151 (f)) is amended to read as follows:

"The manufacture of vermouth with fortified sweet wine on bonded winery premises shall not be deemed to be rectification with the meaning of paragraph 'Third' of section 3244 of the Revised Statutes, if distilled spirits other than necessary in the production of approved essences, used in the manufacture of vermouth, whether or not such essences are produced on the bonded winery premises, are not added to the fortified sweet wine used in the manufacture thereof or to such vermouth during or after its manufacture. Such vermouth may be manufactured on bonded winery premises, but only in a separate department thereof having no interior communication with any other department or part of such premises, under

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

such supervision and in accordance with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe."

SEC. 8. (a) The last paragraph of section 610 of the Revenue Act of 1918, as amended (U. S. C., 1934 edition, Supp. III, title 26, sec. 1310 (d)), is amended by inserting after the words "apricot wines" a comma and the following: "prune wines, plum wines, pear wines"; and by striking out "or (6)" and inserting in lieu thereof the following: "(6) prunes, (7) plums, (8) pears, (9)."

(b) Section 612 of the Revenue Act of 1918, as amended (U. S. C., 1934 edition, Supp. III, title 26, sec. 1301 (a), (b), (c), and (d)), is amended by inserting after the words "apricot wines", wherever they appear, a comma and the following: "prune wines, plum wines, pear wines"; and by inserting after the words "apricot brandy", wherever they appear, a comma and the following: "prune brandy, plum brandy, pear brandy."

(c) Section 613 of the Revenue Act of 1918, as amended (U. S. C., 1934 edition, Supp. III, title 26, sec. 1300 (a) (2)), is amended by inserting after the words "apricot wine", wherever they appear, a comma and the following: "prune wine, plum wine, pear wine"; and by inserting after the words "apricot brandy", wherever they appear, a comma and the following: "prune brandy, plum brandy, pear brandy."

(d) The last paragraph of section 42 of the act entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," approved October 1, 1890, as amended (U. S. C., 1934 edition, Supp. III, title 26, sec. 1301 (e)), is amended by inserting after the words "apricot brandy", where they first appear in such paragraph, a comma and the following: "prune brandy, plum brandy, pear brandy"; by inserting after the words "apricot wines" a comma and the following: "prune wines, plum wines, pear wines"; and by striking out "and (5)" and inserting in lieu thereof the following: "(5) no brandy other than prune brandy may be used in the fortification of prune wine and prune brandy may not be used for the fortification of any wine other than prune wine, (6) no brandy other than pear brandy may be used in the fortification of pear wine and pear brandy may not be used for the fortification of any wine other than pear wine, and (7) no brandy other than plum brandy may be used in the fortification of plum wine and plum brandy may not be used for the fortification of any wine other than plum wine and (8)."

(e) The first proviso of section 3255 of the Revised Statutes, as amended (U. S. C., 1934 edition, Supp. III, title 26, sec. 1176), is amended by inserting after the words "apricot wine", wherever they appear, a comma and the following: "prune wine, plum wine, pear wine"; and by inserting after the words "apricot brandy" a comma and the following: "prune brandy, plum brandy, pear brandy."

(f) Section 618 (b) of the Revenue Act of 1918, as amended (U. S. C., 1934 edition, Supp. III, sec. 1304), is amended by inserting after the words "apricot wines" a comma and the following: "prune wines, plum wines, pear wines."

Approved, June 15, 1938.

Exhibit 40

Joint resolution to provide for a floor stock tax on distilled spirits, except brandy[1]

[Pub. Res. No. 114, 75th Cong., H. J. Res. 683]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be levied, assessed, collected, and paid a floor tax of 25 cents on each proof-gallon and a proportionate tax at a like rate on all fractional parts of such proof-gallon upon all distilled spirits, except brandy, produced in or imported into the United States upon which the internal revenue tax imposed by law has been paid and which, on July 1, 1938, are held by a retail dealer in liquors in a quantity in excess of two hundred and fifty wine-gallons in the aggregate or by any other person, corporation, partnership, or association in any quantity and which are intended for sale for beverage purposes or for use in the manufacture or production of any article intended for sale for beverage purposes.

Each retail dealer in liquors and each person required hereunder to pay the floor tax shall within thirty days after July 1, 1938, make return under oath in such form and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Payment of the tax shown to be due may be extended to a date not exceeding seven months

[1] Enacted because of the increased rate of tax on distilled spirits provided in sec. 710 of the Revenue Act of 1938, approved May 28, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

after July 1, 1938, upon the filing of a bond for payment in such form and amount and with such surety or sureties as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

All provisions of law, including penalties, applicable in respect of internal revenue taxes on distilled spirits shall, insofar as applicable and not inconsistent with this section, be applicable in respect of the floor tax imposed hereunder.

Approved, June 16, 1938.

Exhibit 41

An act to amend the National Firearms Act

[Public No. 651, 75th Cong., H. R. 9610]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 2 (a) of the National Firearms Act is amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided,* That manufacturers and dealers in guns with two attached barrels from which only a single discharge can be made from either barrel without manual reloading shall pay the following taxes: Manufacturers, $25 per year; dealers, $1 per year."

SEC. 2. The first sentence of section 3 (a) of such act is amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided,* That the transfer tax on any gun with two attached barrels, twelve inches or more in length, from which only a single discharge can be made from either barrel without manual reloading, shall be at the rate of $1."

Approved, June 16, 1938.

Exhibit 42

Portions of the Sugar Act of 1937 (Public No. 414, September 1, 1937) imposing excise taxes with respect to sugar

TITLE IV—EXCISE TAXES WITH RESPECT TO SUGAR

DEFINITIONS

SEC. 401. For the purposes of this title—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "manufactured sugar" means any sugar derived from sugar beets or sugarcane, which is not to be, and which shall not be, further refined or otherwise improved in quality; except sugar in liquid form which contains non-sugar solids (excluding any foreign substance that may have been added) equal to more than 6 per centum of the total soluble solids, and except also sirup of cane juice produced from sugarcane grown in continental United States.

The grades or types of sugar within the meaning of this definition shall include, but shall not be limited to, granulated sugar, lump sugar, cube sugar, powdered sugar, sugar in the form of blocks, cones, or molded shapes, confectioners' sugar, washed sugar, centrifugal sugar, clarified sugar, turbinado sugar, plantation white sugar, muscovado sugar, refiners' soft sugar, invert sugar mush, raw sugar, sirups, molasses, and sugar mixtures.

(c) The term "total sugars" means the total amount of the sucrose (Clerget) and of the reducing or invert sugars. The total sugars contained in any grade or type of manufactured sugar shall be ascertained in the manner prescribed in paragraphs 758, 759, 762, and 763 of the United States Customs Regulations (1931 edition).

(d) The term "United States" shall be deemed to include the States, the Territories of Hawaii and Alaska, the District of Columbia, and Puerto Rico.

TAX ON THE MANUFACTURE OF SUGAR

SEC. 402. (a) Upon manufactured sugar manufactured in the United States, there shall be levied, collected, and paid a tax, to be paid by the manufacturer at the following rates:

(1) On all manufactured sugar testing by the polariscope ninety-two sugar degrees, 0.465 cent per pound, and for each additional sugar degree shown by the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

polariscopic test, 0.00875 cent per pound additional, and fractions of a degree in proportion;

(2) On all manufactured sugar testing by the polariscope less than ninety-two sugar degrees, 0.5144 cent per pound of the total sugars therein.

(b) Any person who acquires any sugar which is to be manufactured into manufactured sugar but who, without further refining or otherwise improving it in quality, sells such sugar as manufactured sugar or uses such sugar as manufactured sugar in the production of other articles for sale shall be considered for the purposes of this section the manufacturer of manufactured sugar and, as such, liable for the tax hereunder with respect thereto.

(c) The manufacturer shall file on the last day of each month a return and pay the tax with respect to manufactured sugar manufactured after the effective date of this title (1) which has been sold, or used in the production of other articles, by the manufacturer during the preceding month (if the tax has not already been paid) and (2) which has not been so sold or used within twelve months ending during the preceding calendar month, after it was manufactured (if the tax has not already been paid): *Provided*, That the first return and payment of the tax shall not be due until the last day of the second month following the month in which this title takes effect.

For the purpose of determining whether sugar has been sold or used within twelve months after it was manufactured sugar shall be considered to have been sold or used in the order in which it was manufactured.

(d) No tax shall be required to be paid upon the manufacture of manufactured sugar by, or for, the producer of the sugar beets or sugarcane from which such manufactured sugar was derived, for consumption by the producer's own family, employees, or household.

IMPORT COMPENSATING TAX

SEC. 403. (a) In addition to any other tax or duty imposed by law, there shall be imposed, under such regulations as the Commissioner of Customs shall prescribe, with the approval of the Secretary of the Treasury, a tax upon articles imported or brought into the United States as follows:

(1) On all manufactured sugar testing by the polariscope ninety-two sugar degrees, 0.465 cent per pound, and for each additional sugar degree shown by the polariscopic test, 0.00875 cent per pound additional, and fractions of a degree in proportion;

(2) On all manufactured sugar testing by the polariscope less than ninety-two sugar degrees, 0.5144 cent per pound of the total sugars therein;

(3) On all articles composed in chief value of manufactured sugar 0.5144 cent per pound of the total sugars therein.

(b) Such tax shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930, and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such act, except that for the purposes of sections 336 and 350 of such act (the so-called flexible-tariff and trade-agreements provisions) such tax shall not be considered a duty or import restriction, and except that no preference with respect to such tax shall be accorded any articles imported or brought into the United States.

EXPORTATION, LIVESTOCK FEED, AND DISTILLATION

SEC. 404. (a) Upon the exportation from the United States to a foreign country or the shipment from the United States to any possession of the United States except Puerto Rico, of any manufactured sugar, or any article manufactured wholly or partly from manufactured sugar, with respect to which tax under the provisions of section 402 has been paid, the amount of such tax shall be paid by the Commissioner of Internal Revenue to the consignor named in the bill of lading under which the article was exported or shipped to a possession, or to the shipper, if the consignor waives any claim thereto in favor of such shipper: *Provided*, That no such payment shall be allowed with respect to any manufactured sugar, or article, upon which, through substitution or otherwise, a drawback of any tax paid under section 403 has been or is to be claimed under any provisions of law made applicable by section 403.

(b) Upon the use of any manufactured sugar, or article manufactured therefrom, as livestock feed, or in the production of livestock feed, or for the distillation of alcohol, there shall be paid by the Commissioner of Internal Revenue to the person so using such manufactured sugar, or article manufactured therefrom, the amount of any tax paid under section 402 with respect thereto.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(c) No payment shall be allowed under this section unless within one year after the right to such payment has accrued a claim therefor is filed by the person entitled thereto.

COLLECTION OF TAXES

SEC. 405. (a) Except as otherwise provided, the taxes imposed by this title shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury. Such taxes shall be paid into the Treasury of the United States.

(b) All provisions of law, including penalties, applicable with respect to the taxes imposed under title IV of the Revenue Act of 1932, shall, insofar as applicable and not inconsistent with the provisions of this title, be applicable in respect to the tax imposed by section 402. If the tax is not paid when due there shall be added as part of the tax interest at 6 per centum per annum from the date the tax became due until the date of payment.

(c) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such rules and regulations as may be necessary to carry out all provisions of this title except section 403.

(d) Any person required, pursuant to the provisions of section 402, to file a return may be required to file such return with and pay the tax shown to be due thereon to the collector of internal revenue for the district in which the manufacturing was done or the liability incurred.

EFFECTIVE DATE

SEC. 406. The provisions of this title shall become effective on the date of enactment of this act.

TITLE V—GENERAL PROVISIONS

* * * * * * *

SEC. 503. There is authorized to be appropriated an amount equal to the amount of the taxes collected or accrued under title IV on sugars produced from sugarcane grown in the Commonwealth of the Philippine Islands which are manufactured in or brought into the United States on or prior to June 30, 1941, minus the costs of collecting such taxes and the estimates of amounts of refunds required to be made with respect to such taxes, for transfer to the Government of the Commonwealth of the Philippines for the purpose of financing a program of economic adjustment in the Philippines, the transfer to be made under such terms and conditions as the President of the United States may prescribe: *Provided*, That no part of the appropriations herein authorized shall be paid directly or indirectly for the production or processing of sugarcane in the Philippine Islands.

* * * * * * *

SEC. 513. No tax shall be imposed on the manufacture, use, or importation of sugar after June 30, 1941 * * *.

Exhibit 43

An act to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording

[Public No. 238, 75th Cong., H. R. 6906]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That when used in this act—

(a) The term "person" means an individual, a partnership, trust, association, company, or corporation and includes an officer or employee of a trust, association, company, or corporation, or a member or employee of a partnership, who, as such officer, employee, or member, is under a duty to perform any act in respect of which any violation of this act occurs.

(b) The term "marihuana" means all parts of the plant *Cannabis sativa L.*, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin; but shall not include the mature

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination.

(c) The term "producer" means any person who (1) plants, cultivates, or in any way facilitates the natural growth of marihuana; or (2) harvests and transfers or makes use of marihuana.

(d) The term "Secretary" means the Secretary of the Treasury and the term "collector" means collector of internal revenue.

(e) The term "transfer" or "transferred" means any type of disposition resulting in a change of possession but shall not include a transfer to a common carrier for the purpose of transporting marihuana.

SEC. 2. (a) Every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, prescribes, administers, or gives away marihuana shall (1) within fifteen days after the effective date of this act, or (2) before engaging after the expiration of such fifteen-day period in any of the above-mentioned activities, and (3) thereafter, on or before July 1 of each year, pay the following special taxes respectively:

(1) Importers, manufacturers, and compounders of marihuana, $24 per year.

(2) Producers of marihuana (except those included within subdivision (4) of this subsection), $1 per year, or fraction thereof, during which they engage in such activity.

(3) Physicians, dentists, veterinary surgeons, and other practitioners who distribute, dispense, give away, administer, or prescribe marihuana to patients upon whom they in the course of their professional practice are in attendance, $1 per year or fraction thereof during which they engage in any of such activities.

(4) Any person not registered as an importer, manufacturer, producer, or compounder who obtains and uses marihuana in a laboratory for the purpose of research, instruction, or analysis, or who produces marihuana for any such purpose, $1 per year, or fraction thereof, during which he engages in such activities.

(5) Any person who is not a physician, dentist, veterinary surgeon, or other practitioner and who deals in, dispenses, or gives away marihuana, $3 per year: *Provided*, That any person who has registered and paid the special tax as an importer, manufacturer, compounder, or producer, as required by subdivisions (1) and (2) of this subsection, may deal in, dispense, or give away marihuana imported, manufactured, compounded, or produced by him without further payment of the tax imposed by this section.

(b) Where a tax under subdivision (1) or (5) is payable on July 1 of any year it shall be computed for one year; where any such tax is payable on any other day it shall be computed proportionately from the first day of the month in which the liability for the tax accrued to the following July 1.

(c) In the event that any person subject to a tax imposed by this section engages in any of the activities enumerated in subsection (a) of this section at more than one place, such person shall pay the tax with respect to each such place.

(d) Except as otherwise provided, whenever more than one of the activities enumerated in subsection (a) of this section is carried on by the same person at the same time, such person shall pay the tax for each such activity, according to the respective rates prescribed.

(e) Any person subject to the tax imposed by this section shall, upon payment of such tax, register his name or style and his place or places of business with the collector of the district in which such place or places of business are located.

(f) Collectors are authorized to furnish, upon written request, to any person a certified copy of the names of any or all persons who may be listed in their respective collection districts as special taxpayers under this section, upon payment of a fee of $1 for each one hundred of such names or fraction thereof upon such copy so requested.

SEC. 3. (a) No employee of any person who has paid the special tax and registered, as required by section 2 of this act, acting within the scope of his employment, shall be required to register and pay such special tax.

(b) An officer or employee of the United States, any State, Territory, the District of Columbia, or insular possession, or political subdivision, who, in the exercise of his official duties, engages in any of the activities enumerated in section 2 of this act shall not be required to register or pay the special tax, but his right to the exemption shall be evidenced in such manner as the Secretary may by regulations prescribe.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

SEC. 4. (a) It shall be unlawful for any person required to register and pay the special tax under the provisions of section 2 to import, manufacture, produce, compound, sell, deal in, dispense, distribute, prescribe, administer, or give away marihuana without having so registered and paid such tax.

(b) In any suit or proceeding to enforce the liability imposed by this section or section 2, if proof is made that marihuana was at any time growing upon land under the control of the defendant, such proof shall be presumptive evidence that at such time the defendant was a producer and liable under this section as well as under section 2.

SEC. 5. It shall be unlawful for any person who shall not have paid the special tax and registered, as required by section 2, to send, ship, carry, transport, or deliver any marihuana within any Territory, the District of Columbia, or any insular possession, or from any State, Territory, the District of Columbia, any insular possession of the United States, or the Canal Zone, into any other State, Territory, the District of Columbia, or insular possession of the United States: *Provided*, That nothing contained in this section shall apply to any common carrier engaged in transporting marihuana; or to any employee of any person who shall have registered and paid the special tax as required by section 2 while acting within the scope of his employment; or to any person who shall deliver marihuana which has been prescribed or dispensed by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2, who has been employed to prescribe for the particular patient receiving such marihuana; or to any United States, State, county, municipal, District, Territorial, or insular officer or official acting within the scope of his official duties.

SEC. 6. (a) It shall be unlawful for any person, whether or not required to pay a special tax and register under section 2, to transfer marihuana, except in pursuance of a written order of the person to whom such marihuana is transferred, on a form to be issued in blank for that purpose by the Secretary.

(b) Subject to such regulations as the Secretary may prescribe, nothing contained in this section shall apply—

(1) To a transfer of marihuana to a patient by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2, in the course of his professional practice only: *Provided*, That such physician, dentist, veterinary surgeon, or other practitioner shall keep a record of all such marihuana transferred, showing the amount transferred and the name and address of the patient to whom such marihuana is transferred, and such record shall be kept for a period of two years from the date of the transfer of such marihuana, and subject to inspection as provided in section 11.

(2) To a transfer of marihuana, made in good faith by a dealer to a consumer under and in pursuance of a written prescription issued by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2: *Provided*, That such prescription shall be dated as of the day on which signed and shall be signed by the physician, dentist, veterinary surgeon, or other practitioner who issues the same: *Provided further*, That such dealer shall preserve such prescription for a period of two years from the day on which such prescription is filled so as to be readily accessible for inspection by the officers, agents, employees, and officials mentioned in section 11.

(3) To the sale, exportation, shipment, or delivery of marihuana by any person within the United States, any Territory, the District of Columbia, or any of the insular possessions of the United States, to any person in any foreign country regulating the entry of marihuana, if such sale, shipment, or delivery of marihuana is made in accordance with such regulations for importation into such foreign country as are prescribed by such foreign country, such regulations to be promulgated from time to time by the Secretary of State of the United States.

(4) To a transfer of marihuana to any officer or employee of the United States Government or of any State, Territorial, District, county, or municipal or insular government lawfully engaged in making purchases thereof for the various departments of the Army and Navy, the Public Health Service, and for Government, State, Territorial, District, county, or municipal or insular hospitals or prisons.

(5) To a transfer of any seeds of the plant *Cannabis sativa L.* to any person registered under section 2.

(c) The Secretary shall cause suitable forms to be prepared for the purposes before mentioned and shall cause them to be distributed to collectors for sale. The price at which such forms shall be sold by said collectors shall be fixed by the Secretary, but shall not exceed 2 cents each. Whenever any collector shall sell any of such forms he shall cause the date of sale, the name and address of

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

the proposed vendor, the name and address of the purchaser, and the amount of marihuana ordered to be plainly written or stamped thereon before delivering the same.

(d) Each such order form sold by a collector shall be prepared by him and shall include an original and two copies, any one of which shall be admissible in evidence as an original. The original and one copy shall be given by the collector to the purchaser thereof. The original shall in turn be given by the purchaser thereof to any person who shall, in pursuance thereof, transfer marihuana to him and shall be preserved by such person for a period of two years so as to be readily accessible for inspection by any officer, agent, or employee mentioned in section 11. The copy given to the purchaser by the collector shall be retained by the purchaser and preserved for a period of two years so as to be readily accessible to inspection by any officer, agent, or employee mentioned in section 11. The second copy shall be preserved in the records of the collector.

SEC. 7. (a) There shall be levied, collected, and paid upon all transfers of marihuana which are required by section 6 to be carried out in pursuance of written order forms taxes at the following rates:

(1) Upon each transfer to any person who has paid the special tax and registered under section 2 of this act, $1 per ounce of marihuana or fraction thereof.

(2) Upon each transfer to any person who has not paid the special tax and registered under section 2 of this act, $100 per ounce of marihuana or fraction thereof.

(b) Such tax shall be paid by the transferee at the time of securing each order form and shall be in addition to the price of such form. Such transferee shall be liable for the tax imposed by this section but in the event that the transfer is made in violation of section 6 without an order form and without payment of the transfer tax imposed by this section, the transferor shall also be liable for such tax.

(c) Payment of the tax herein provided shall be represented by appropriate stamps to be provided by the Secretary and said stamps shall be affixed by the collector or his representative to the original order form.

(d) All provisions of law relating to the engraving, issuance, sale, accountability, cancelation, and destruction of tax-paid stamps provided for in the internal revenue laws shall, insofar as applicable and not inconsistent with this act, be extended and made to apply to stamps provided for in this section.

(e) All provisions of law (including penalties) applicable in respect of the taxes imposed by the act of December 17, 1914 (38 Stat. 785; U. S. C., 1934 edition, title 26, secs. 1040–1061, 1383–1391), as amended, shall, insofar as not inconsistent with this act, be applicable in respect of the taxes imposed by this act.

SEC. 8. (a) It shall be unlawful for any person who is a transferee required to pay the transfer tax imposed by section 7 to acquire or otherwise obtain any marihuana without having paid such tax; and proof that any person shall have had in his possession any marihuana and shall have failed, after reasonable notice and demand by the collector, to produce the order form required by section 6 to be retained by him, shall be presumptive evidence of guilt under this section and of liability for the tax imposed by section 7.

(b) No liability shall be imposed by virtue of this section upon any duly authorized officer of the Treasury Department engaged in the enforcement of this act or upon any duly authorized officer of any State, or Territory, or of any political subdivision thereof, or the District of Columbia, or of any insular possession of the United States, who shall be engaged in the enforcement of any law or municipal ordinance dealing with the production, sale, prescribing, dispensing, dealing in, or distributing of marihuana.

SEC. 9. (a) Any marihuana which has been imported, manufactured, compounded, transferred, or produced in violation of any of the provisions of this act shall be subject to seizure and forfeiture and, except as inconsistent with the provisions of this act, all the provisions of internal revenue laws relating to searches, seizures, and forfeitures are extended to include marihuana.

(b) Any marihuana which may be seized by the United States Government from any person or persons charged with any violation of this act shall upon conviction of the person or persons from whom seized be confiscated by and forfeited to the United States.

(c) Any marihuana seized or coming into the possession of the United States in the enforcement of this act, the owner or owners of which are unknown, shall be confiscated by and forfeited to the United States.

(d) The Secretary is hereby directed to destroy any marihuana confiscated by and forfeited to the United States under this section or to deliver such mari-

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

huana to any department, bureau, or other agency of the United States Government, upon proper application therefor under such regulations as may be prescribed by the Secretary.

SEC. 10. (a) Every person liable to any tax imposed by this act shall keep such books and records, render under oath such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

(b) Any person who shall be registered under the provisions of section 2 in any internal revenue district shall, whenever required so to do by the collector of the district, render to the collector a true and correct statement or return, verified by affidavits, setting forth the quantity of marihuana received or harvested by him during such period immediately preceding the demand of the collector, not exceeding three months, as the said collector may fix and determine. If such person is not solely a producer, he shall set forth in such statement or return the names of the persons from whom said marihuana was received, the quantity in each instance received from such persons, and the date when received.

SEC. 11. The order forms and copies thereof and the prescriptions and records required to be preserved under the provisions of section 6, and the statements or returns filed in the office of the collector of the district under the provisions of section 10 (b) shall be open to inspection by officers, agents, and employees of the Treasury Department duly authorized for that purpose, and such officers of any State or Territory, or of any political subdivision thereof, or the District of Columbia, or of any insular possession of the United States as shall be charged with the enforcement of any law or municipal ordinance regulating the production, sale, prescribing, dispensing, dealing in, or distributing of marihuana. Each collector shall be authorized to furnish, upon written request, copies of any of the said statements or returns filed in his office to any of such officials of any State or Territory, or political subdivision thereof, or the District of Columbia, or any insular possession of the United States as shall be entitled to inspect the said statements or returns filed in the office of the said collector, upon the payment of a fee of $1 for each 100 words or fraction thereof in the copy or copies so requested.

SEC. 12. Any person who is convicted of a violation of any provision of this act shall be fined not more than $2,000 or imprisoned not more than five years, or both, in the discretion of the court.

SEC. 13. It shall not be necessary to negative any exemptions set forth in this act in any complaint, information, indictment, or other writ or proceeding laid or brought under this act and the burden of proof of any such exemption shall be upon the defendant. In the absence of the production of evidence by the defendant that he has complied with the provisions of section 2 relating to registration or that he has complied with the provisions of section 6 relating to order forms, he shall be presumed not to have complied with such provisions of such sections, as the case may be.

SEC. 14. The Secretary is authorized to make, prescribe, and publish all necessary rules and regulations for carrying out the provisions of this act and to confer or impose any of the rights, privileges, powers, and duties conferred or imposed upon him by this act upon such officers or employees of the Treasury Department as he shall designate or appoint.

SEC. 15. The provisions of this act shall apply to the several States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, and the insular possessions of the United States, except the Philippine Islands. In Puerto Rico the administration of this act, the collection of the special taxes and transfer taxes, and the issuance of the order forms provided for in section 6 shall be performed by the appropriate internal revenue officers of that government, and all revenues collected under this act in Puerto Rico shall accrue intact to the general government thereof. The President is hereby authorized and directed to issue such Executive orders as will carry into effect in the Virgin Islands the intent and purpose of this act by providing for the registration with appropriate officers and the imposition of the special and transfer taxes upon all persons in the Virgin Islands who import, manufacture, produce, compound, sell, deal in, dispense, prescribe, administer, or give away marihuana.

SEC. 16. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 17. This act shall take effect on the first day of the second month after the month during which it is enacted.

SEC. 18. This act may be cited as the "Marihuana Tax Act of 1937."

Approved, August 2, 1937.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 44

Major tax rate changes made by the Revenue Acts of 1937 and 1938, and the rates which they superseded, with legal citations and effective dates

Tax	Revenue Act of 1937			Superseded		
	Legal citation	Effective date	Rate	Rate	Effective period	Legal citation
Nonresident alien individual with no United States business or office and gross income of more than $21,600.	Sec. 501 (b)	Taxable years beginning after Dec. 31, 1936.	Normal and surtax rates on fixed or determinable annual or periodical income (as defined in sec. 211 (a), Revenue Act of 1936) from sources within the United States, but the total normal and surtax shall, in no case, be less than 10% of the gross income.[1]	10% withheld at source on fixed or determinable annual or periodical income (as defined in sec. 211 (a)) from sources within the United States except that such rate shall be reduced in the case of a resident of a contiguous country to such rate (not less than 5%) as may be provided by treaty with such country.	Taxable years beginning after Dec. 31, 1935, and before Jan. 1, 1937.	Revenue Act of 1936, sec. 211 (a).
Surtax on personal holding companies.	Sec. 1	do	65% of the undistributed adjusted net income not in excess of $2,000; plus 75% of the amount thereof in excess of $2,000.	Graduated from 8% of the undistributed adjusted net income not in excess of $2,000, to 48% of the amount thereof in excess of $1,000,000.	do	Revenue Act of 1936, sec. 351.
Foreign personal holding companies.	Sec. 201	Taxable years ending after Aug. 26, 1937, if a United States group existed after that date.	Income tax rates applicable to net income of United States shareholders. (Net income includes pro rata shares of the undistributed net income of foreign personal holding company.)	do	Taxable year beginning after Dec. 31, 1935, and ending on or before Aug. 26, 1937.	Do.

Tax	Revenue Act of 1938			Superseded		
	Legal citation	Effective date	Rate	Rate	Effective period	Legal citation
Capital gains and losses, with respect to individuals.	Sec. 117	Taxable years beginning after Dec. 31, 1937.	Gains and losses taken into account are computed on basis of certain percentages which vary according to period capital assets were held as follows: Period assets were held: 18 months or less — Percentages: 100	Period assets were held: 1 year or less — Percentages: 100	Taxable years beginning after Dec. 31, 1933, and before Jan. 1, 1938.	Revenue Act of 1934, sec. 117; Revenue Act of 1936, sec. 117.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

	Over 18 months but not over 24 months.	66⅔	Over 1 year but not over 2 years. 80 Over 2 years but not over 5 years. 60 Over 5 years but not over 10 years. 40 Over 10 years 30
	Over 24 months	50	
After computation of amount of gain or loss to be taken into account according to the above percentages, such gain or loss from sale or exchange of capital assets is treated as follows: Assets held 18 months or less: Gains not offset by allowed losses are included with other income subject to full normal tax and surtax rates. Losses are allowed only to the extent of gains on such transactions, but losses disallowed in 1 year (to an amount not exceeding net income) may be carried forward and applied against gains from such transactions in the succeeding taxable year. Assets held more than 18 months: Net gains are included with otber income subject to normal tax and surtax rates or are segregated and taxed at 30%, whichever method results in lesser total tax. Net losses are deducted from other income or 30% of such losses is credited against the tax, computed on net income before deducting the net loss, whichever method gives the greater tax.			Net gains computed on the basis of foregoing percentages are included in net income and are subject to normal and surtax rates. Losses so computed are allowed in determining net income to the amount of the capital gains taken into account plus $2,000.

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Major tax rate changes made by the Revenue Acts of 1937 and 1938, and the rates which they superseded, with legal citations and effective dates— Continued

Tax	Revenue Act of 1938			Superseded		
	Legal citation	Effective date	Rate	Rate	Effective period	Legal citation
Corporation income tax:						
Corporations with net income of not more than $25,000.	Sec. 14 (c)	Taxable year beginning after Dec. 31, 1937, and before Jan. 1, 1940.	Graduated from 12½% of the special class net incomes not in excess of $5,000 to 16% on that part of the special class net incomes in excess of $20,000.	Normal tax: Graduated from 8% on normal-tax net income not in excess of $2,000 to 15% on the excess of net incomes over $40,000. Surtax on undistributed profits: Graduated from 7% of the undistributed net income not in excess of 10% of the adjuted net income to 27% on the portion of the undistributed net income in excess of 60% of the adjusted net income.	Taxable years beginning after Dec. 31, 1935, and before Jan. 1, 1938.	Revenue Act of 1936, sec. 13. Revenue Act of 1936, sec. 14.
Corporations with net income of more than $25,000.[2] [3]	Sec. 13 (c)	do	19% of the adjusted net income reduced by the sum of: (a) 16½% of the credit for dividends received; and (b) 2½% of the dividends paid credit, but not to exceed 2½% of the adjusted net income.[3]	do	do	Do.
Banks	Sec. 14 (d) (1).	do	16½% of the special class net income, regardless of the amount thereof.	15% of normal-tax net income	do	Revenue Act of 1936, sec. 104.
Corporations organized under the China Trade Act, 1922.	Sec. 14 (d) (2).	do	do	do	do	Revenue Act of 1936, sec. 261.
Domestic corporations deriving a large portion of their gross income from sources within a possession of the United States (sec. 251.)	Sec. 14 (d) (3).	do	do	do	do	Revenue Act of 1936, sec. 251.
Foreign corporations, resident.	Sec. 14 (e) (1).	do	19% of the special class net income, regardless of the amount thereof.	22% of normal-tax net income	do	Revenue Act of 1936, sec. 231.
Insurance companies	Secs. 201, 204, 207.	do	16% of the special class net income.	15% of normal-tax net income	do	Revenue Act of 1936, secs. 201, 204, 207.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Mutual investment companies.	Sec. 362	do	16½% of the Supplement Q net income.	Normal tax and surtax on undistributed profits as stated above.	do	Revenue Act of 1936, secs. 13, 14.
Surtax on corporations improperly accumulating surplus.	Sec. 102	Taxable years beginning after Dec. 31, 1937.	25% of the undistributed section 102 net income not in excess of $100,000; plus 35% of the amount thereof in excess of $100,000.	Corporations subject to surtax on undistributed profits: 15% of retained net income not in excess of $100,000; plus 25% of the amount thereof in excess of $100,000. Corporations not subject to surtax on undistributed profits: 25% of retained net income not in excess of $100,000; plus 35% of the amount thereof in excess of $100,000.	do	Revenue Act of 1936, sec. 102.
Excise taxes:						
Certain toilet preparations — tooth and mouth washes, dentifrices, tooth pastes, and toilet soaps.	Sec. 701 (a)	July 1, 1938	Terminated	5% of manufacturer's or importer's selling price.	June 21, 1932, through June 30, 1938.	Revenue Act of 1932, sec. 603.
Furs	Sec. 701 (b)	do	do	3% of manufacturer's or importer's selling price.	June 23, 1936, through June 30, 1938.	Revenue Act of 1932, sec. 604; Revenue Act of 1934, sec. 608; Revenue Act of 1936, sec. 810.
Phonograph records	Sec. 701 (c)	do	do	5% of manufacturer's or importer's selling price.	June 21, 1932, through June 30, 1938.	Revenue Act of 1932, sec. 607.
Sporting goods	Sec. 701 (d)	do	do	10% of manufacturer's or importer's selling price.	do	Revenue Act of 1932, sec. 609.
Cameras	Sec. 701 (e)	do	do	do	do	Revenue Act of 1932, sec. 611.
Chewing gum	Sec. 701 (f)	do	do	2% of manufacturer's or importer's selling price.	do	Revenue Act of 1932, sec. 614.
Crude petroleum:						
Producers' tax	Sec. 701 (g)	do	do	1/25 of 1 cent per barrel	Sept. 1, 1935, through June 30, 1938.	Revenue Act of 1934, sec. 604; Revenue Act of 1935, sec. 407.
Refined or processed, or gasoline produced or recovered from natural gas.	Sec. 701 (h)	do	do	do	do	Revenue Act of 1934, sec. 605; Revenue Act of 1935, sec. 407.

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Major tax rate changes made by the Revenue Acts of 1937 and 1938, and the rates which they superseded, with legal citations and effective dates—Continued

Tax	Revenue Act of 1938			Superseded		
	Legal citation	Effective date	Rate	Rate	Effective period	Legal citation
Excise taxes—Continued.						
Brewer's wort, malt sirup, etc.	Sec. 701 (i)	July 1, 1938	Terminated	Brewer's wort and liquid malt containing less than 15% of solids by weight—15 cents per gallon. Liquid malt, malt sirup, etc.—3 cents per pound.	June 21, 1932, through June 30, 1938.	Revenue Act of 1932, sec. 601 (c) (2); Pub. No. 396, 73d Cong.
Sales of produce for future delivery.	Sec. 701 (j)	do	do	3 cents per $100 or fraction thereof.	May 11, 1934, through June 30, 1938.	Revenue Act of 1926, title VIII, schedule A, 4; Revenue Act of 1932, sec. 726; Revenue Act of 1934, sec. 612.
Tax on imports of:						
Hempseed	Sec. 702 (a)	do	1.24 cents per pound	2 cents per pound	Aug. 21, 1936, through June 30, 1938.	Revenue Act of 1936, sec. 701.
Perilla seed	do	do	1.38 cents per pound	do	do	Do.
Sesame seed	do	do	1.18 cents per pound	do	do	Do.
Matches:						
Wooden, plain	Sec. 707	do	Terminated	2 cents per 1,000	June 21, 1932, through June 30, 1938.	Revenue Act of 1932, sec. 612; Revenue Act of 1934, sec. 611.
Paper, in books	do	do	do	½ of 1 cent per 1,000	do	Do.
Tractors, used in combination with a trailer or semitrailer for highway transportation.	Sec. 709	do	2% of selling price			
Distilled spirits (except brandy).	Sec. 710	do	$2.25 per proof gallon or wine gallon if below proof.	$2 per proof gallon or wine gallon if below proof.	Jan. 12, 1934, through June 30, 1938.	Revenue Act of 1926, sec. 900; Liquor Taxing Act of 1934, sec. 2.

[1] Not applicable in the case of a resident of a contiguous country so long as there is in effect a treaty with such country (ratified prior to the date of enactment of the Revenue Act of 1937) providing for a reduction (to not less than 5%) in the rate imposed by the Revenue Act of 1936.

[2] For corporations with net income slightly over $25,000, the tax is to be computed under the alternative tax methods provided in sec. 13 (d), Revenue Act of 1938, if the tax so computed is less than the tax would be if computed under sec. 13 (c).

[3] In the case of corporations in bankruptcy and receivership, joint stock land banks, and rental housing corporations the tax shall be reduced by 2½% of the adjusted net income, instead of by 2½% of the dividends paid credit (secs. 13 (e), (f), and (g)).

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

OBLIGATIONS OF FOREIGN GOVERNMENTS

Exhibit 45

Correspondence exchanged between the Government of the United States and various foreign governments and statements concerning foreign debts owing to the United States

BELGIUM

To the Secretary of State from the Belgian Ambassador, December 14, 1937

[Translation]

EXCELLENCY:

I had the honor to receive the note of November 20 last by which Your Excellency was good enough to transmit to me a statement of the payments envisaged by the Belgian-American debt agreement of August 18, 1925, and by the moratorium agreement of June 10, 1932.

I did not fail to transmit this communication to my Government, which has now instructed me to inform the Government of the United States that the Royal Government keenly regrets to find that the reasons which have forced it to suspend, since December 15, 1932, the service of its debt to the United States, have lost none of their validity.

No new element having arisen which would permit Belgium to modify its attitude, my country finds it impossible to effect, on December 15, 1937, next, the payment in question.

I avail myself [etc.].

VAN DER STRATEN.

To the Secretary of State from the Belgian Ambassador, June 13, 1938

EXCELLENCY:

I had the honor to receive the note of May 31 last by which Your Excellency was good enough to transmit to me a statement of the payment envisaged by the Belgian-American debt agreement of August 18, 1925, and by the moratorium agreement of June 10, 1932.

I did not fail to transmit this communication to my Government which has now instructed me to inform the Government of the United States that the Royal Government keenly regrets to find that the reasons which have forced it to suspend, since December 15, 1932, the service of its debt to the United States, have lost none of their validity.

No new element having arisen which would permit Belgium to modify its attitude, my country finds it impossible to effect, on June 15, 1938, next, the payment in question.

I avail myself [etc.].

VAN DER STRATEN.

CZECHOSLOVAKIA

To the Secretary of State from the Minister of Czechoslovakia, December 13, 1937

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note of November 20, 1937, transmitting a statement of the Secretary of Treasury which indicates the amount due from the Czechoslovak Government under the provisions of the debt agreement of October 13, 1925, and the moratorium agreement of June 10, 1932.

The Czechoslovak Government appreciates the reiterated assurance of the Government of the United States that any proposals which the Czechoslovak Government may desire to present in regard to the payment of this indebtedness would receive careful consideration with a view to eventual submission to the American Congress.

I have been instructed to inform Your Excellency that my Government regrets that prevailing conditions do not warrant, at this time, the resumption of discussions which would result in a mutually satisfactory settlement of this question.

Accept [etc.].

V. I. HURBAN.

104825—39——20

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

To the Secretary of State from the Minister of Czechoslovakia, June 15, 1938

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note of May 31, 1938, transmitting a statement of the Secretary of Treasury which indicates the amount due from the Czechoslovak Government under the provisions of the debt agreement of October 13, 1925, and the moratorium agreement of June 10, 1932.

The Czechoslovak Government appreciates the reiterated assurance of the Government of the United States that any proposals which the Czechoslovak Government may desire to present in regard to the payment of this indebtedness would receive careful consideration with a view to eventual submission to the American Congress.

I have been instructed to inform Your Excellency that my Government regrets that prevailing conditions do not warrant, at this time, the resumption of discussions which would result in a mutually satisfactory settlement of this question.

Accept [etc.].

V. I. HURBAN.

ESTONIA

To the Secretary of State from the Acting Consul General of Estonia, June 2, 1938

EXCELLENCY:

Acknowledging receipt of your note of May 31, 1938, I have the honor to inform you that the Government of Estonia regret to be unable, for reasons stated in their previous notes, to effect under terms of the debt funding agreement of October 28, 1925, and the moratorium agreement of June 11, 1932, between Estonia and the United States the payment of installments falling due on June 15, 1938.

I avail myself [etc.].

KARL KUUSIK.

FINLAND

Announcing the receipt of payments due from Finland (Treasury Department press releases, December 15, 1937, and June 15, 1938)

DECEMBER 15, 1937.

The Treasury received today the sum of $232,143 from the Government of Finland, representing a payment of principal in the amount of $69,000 and the semiannual payment of interest in the amount of $144,112.50 under the funding agreement of May 1, 1923, and $19,030.50 as the ninth semiannual annuity due under the moratorium agreement of May 23, 1932. This payment represents the entire amount due from the Government of Finland. The payment of principal and interest consisted of $210,000 face amount of 2½ percent Treasury bonds of 1949–53, which were accepted at par, $2,625 accrued interest thereon, and cash for $487.50. The annuity of $19,030.50 due under the moratorium agreement was paid in cash.

JUNE 15, 1938.

The Treasury received today the sum of $161,935.50 from the Government of Finland, representing the semiannual payment of interest in the amount of $142,905 under the funding agreement of May 1, 1923, and $19,030.50 as the tenth semiannual annuity due under the moratorium agreement of May 23, 1932. This payment represents the entire amount due from the Government of Finland.

FRANCE

To the Secretary of State from the French Chargé d'Affaires, December 6, 1937

[Translation]

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note, dated November 20, 1937, transmitting a statement of the amounts due by France to the United States on December 15 next, under the terms of the agreements signed by the French Government.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

In presenting this statement, you took occasion to reiterate that the Government of the United States is fully disposed to discuss, through diplomatic channels, any proposals which the French Government may desire to put forward in regard to the settlement of this indebtedness and to give them careful consideration with a view to their eventual submission to the American Congress.

The French Government thanks the Government of the United States for having been so kind as to renew these assurances and desires on its part to emphasize again its sincere desire to seek the bases for a settlement of this debt acceptable to both countries.

As soon as a satisfactory development of the situation will permit, the French Government will not fail to seize the opportunity, which it hopes will be soon, to enter into conversations for the negotiation of an agreement to the conclusion of which, like the Government of the United States, it attaches great importance.

Please accept [etc.].

JULES HENRY.

To the Secretary of State from the French Ambassador, June 10, 1938

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note, dated May 31, 1938, transmitting a statement of the amounts due by France to the United States on June 15 next, under the terms of the agreements signed by the French Government.

In presenting this statement, you took occasion to reiterate that the Government of the United States is fully disposed to discuss, through diplomatic channels, any proposals which the French Government may desire to put forward in regard to the settlement of this indebtedness and to give them careful consideration with a view to their eventual submission to the American Congress.

The French Government thanks the Government of the United States for having been so kind as to renew these assurances and desires on its part to emphasize again its sincere desire to seek the bases for a settlement of this debt acceptable to both countries.

As soon as a satisfactory development of the situation will permit, the French Government will not fail to seize the opportunity, which it hopes will be soon, to enter into conversations for the negotiation of an agreement to the conclusion of which, like the Government of the United States, it attaches great importance.

Please accept [etc.].

R. DE SAINT-QUENTIN.

GREAT BRITAIN

To the Secretary of State from the British Ambassador, December 9, 1937

SIR:

In accordance with instructions from His Majesty's Principal Secretary of State for Foreign Affairs, I have the honor to acknowledge the receipt of your note of the 20th November enclosing a statement of the amounts due from His Majesty's Government in the United Kingdom under the provisions of the debt agreement of the 19th June, 1923, and the moratorium agreement of the 4th June, 1932.

I am directed to express the appreciation of His Majesty's Government of the assurance that the Government of the United States is fully disposed to discuss any proposals which His Majesty's Government may desire to put forward in regard to the payment of this indebtedness; and in return I am to assure you that His Majesty's Government will be willing to reopen discussions on the subject whenever circumstances are such as to warrant the hope that a satisfactory result might be reached.

I have the honor [etc.].

R. C. LINDSAY.

To the Secretary of State from the British Ambassador, June 13, 1938

SIR:

In accordance with instructions from His Majesty's Principal Secretary of State for Foreign Affairs, I have the honor to acknowledge the receipt of your note of the 31st May enclosing a statement of the amounts due from His Majesty's

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Government in the United Kingdom under the provisions of the debt agreement of the 19th June, 1923, and the moratorium agreement of the 4th June, 1932.

I am directed to express the appreciation of His Majesty's Government of the assurance that the Government of the United States is fully disposed to discuss any proposals which His Majesty's Government may desire to put forward in regard to the payment of this indebtedness; and in return I am to assure you that His Majesty's Government will be willing to reopen discussions on the subject whenever circumstances are such as to warrant the hope that a satisfactory result might be reached.

I have the honor [etc.].

R. C. LINDSAY.

GREECE

Announcing the receipt of interest payments due from Greece (Treasury Department press release, May 23, 1938)

The Secretary of the Treasury today announced that His Excellency, Mr. D. Sicilianos, Minister of Greece, delivered check No. 35606 drawn by the Federal Reserve Bank of New York at the direction of the Bank of Greece for account of the Greek Ministry of Finance, to the order of the Secretary of the Treasury in the amount of $174,336 representing payment by the Greek Government to the Government of the United States of 40 percent of the semiannual interest amounting to $217,920 due on May 10 and $217,920 due on November 10, 1937, on the 4 percent loan of 1929 made to the Greek Government by the United States under the agreement of May 10, 1929.

This amount has been received by the Treasury in the same manner as the payments made by the Greek Government to the United States on account of the amounts due during the period from 1932 to 1936, inclusive, were received by the United States, namely, without prejudice to the contractual rights of the United States which are set forth in part II of the debt agreement of May 10, 1929, and in accordance with the position of the United States as stated in the note addressed by the Secretary of State to the Greek Minister at Washington on February 8, 1936.

HUNGARY

To the Secretary of State from the Hungarian Minister, December 15, 1937

SIR:

I have the honor to inform you that in conformity with the proposal contained in the note of this Legation of August 16, 1937, the Royal Hungarian Government is making a payment today in the amount of $9,828.16 to the Federal Reserve Bank of New York in favor of the Treasury of the United States.

In this connection I have the honor to inform you that my Government in its progressive regularization of its foreign debt service confidently expects to avail itself at an early date of the assurance of your Government that it will give careful consideration to any proposals which my Government may put forward in regard to the payment of its indebtedness to the Government of the United States.

Accept [etc.].

JOHN PELÉNYI.

To the Secretary of State from the Hungarian Minister, June 15, 1938

SIR:

By order of my Government, I beg to inform you that the amount of $9,828.16 has been deposited today in the Federal Reserve Bank in New York on account of Hungary's indebtedness to the American Government.

It is the earnest hope of my Government that the Congress of the United States will give favorable consideration at an early date to the offer of my Government submitted in the Aide Memoire of February 7, 1938.

Accept [etc.].

JOHN PELÉNYI.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ITALY

To the Secretary of State from the Italian Ambassador, December 10, 1937

HONORABLE SIR:

I have the honor to acknowledge the receipt of your note of November 20, whereby you have sent me a statement of the amounts due from the Italian Government up to December 15, 1937, under the provision of the debt agreement of November 14, 1925, and the moratorium agreement of June 3, 1932.

My Government has taken note with appreciation of the renewed assurance that the United States Government is fully disposed to discuss, through diplomatic channels, any proposals which the Italian Government may desire to put forward in regard to the payment of its indebtedness and that such proposals would receive careful consideration with a view to eventual submission to the American Congress.

While thanking you for the above communication, my Government regrets to be still unable, at the present moment, to submit any proposals and wishes to refer to the considerations previously brought to the attention of the Federal Government.

Accept [etc.].

SUVICH.

To the Secretary of State from the Italian Ambassador, June 8, 1938

HONORABLE SIR:

I have the honor to acknowledge the receipt of your note of May 31, 1938, whereby you have sent me a statement of the amounts due from the Italian Government up to June 15, 1938, under the provision of the debt agreement of November 14, 1925, and the moratorium agreement of June 3, 1932.

My Government has taken note with appreciation of the renewed assurance that the United States Government is fully disposed to discuss, through diplomatic channels, any proposals which the Italian Government may desire to put forward in regard to the payment of its indebtedness and that such proposals would receive careful consideration with a view to eventual submission to the American Congress.

While thanking you for the above communication, my Government regrets to be still unable, at the present moment, to submit any proposals and wishes to refer to the considerations previously brought to the attention of the Federal Government.

Accept [etc.].

SUVICH.

LATVIA

To the Secretary of State from the Latvian Minister, December 13, 1937

SIR:

In reply to your note of November 20 and referring to my note No. 410.63/651 of June 2, I have the honor to inform you that in the interval which has elapsed since the despatch of the note referred to above no changes have been observed in the general position and in the circumstances of a nature that could have altered the attitude of the Latvian Government in regard to the settlement of the Latvian indebtedness to the United States.

In view of the above and maintaining their present view and their attitude in regard to the subject as expressed in the relevant correspondence, I have the honor to inform you that to their regret the Latvian Government find it impossible to effect the payment of the installment of their debt to the United States which becomes due on December 15.

Accept [etc.].

ALFRED BILMANIS.

To the Secretary of State from the Latvian Minister, June 14, 1938

SIR:

In reply to your note of May 31 and referring to my note No. 410.63/1472 of December 13, 1937, I have the honor to inform you that in the interval which has elapsed since the despatch of the note referred to above no changes have been observed in the general position and in the circumstances of a nature that could

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

have altered the attitude of the Latvian Government in regard to the settlement of the Latvian indebtedness to the United States.

In view of the above and maintaining their present view and their attitude in regard to the subject as expressed in the relevant correspondence, I have the honor to inform you that to their regret the Latvian Government find it impossible to effect the payment of the installment of their debt to the United States which becomes due on June 15.

Accept [etc.].

ALFRED BILMANIS.

LITHUANIA

To the Secretary of State from the Lithuanian Minister, December 14, 1937

SIR:

I have the honor to acknowledge the receipt of your note of November 20, 1937, transmitting a statement showing the amounts due and payable, June 15, 1933, to June 15, 1937, inclusive, and December 15, 1937, from my Government pursuant to the terms of the debt agreement of September 22, 1924, and the moratorium agreement of June 9, 1932.

In accordance with my Government's instructions, I have the honor to inform you that the Lithuanian Government, acknowledging its indebtedness to the United States of America, regrets exceedingly its continued inability to effect the payments due to the United States Government on December 15, 1937.

My Government has taken note of your reiteration that the United States Government is fully disposed to discuss, through diplomatic channels, any proposals which the Lithuanian Government may desire to put forward in regard to the payment of this indebtedness, and that such proposals would receive careful consideration with a view to eventual submission to the American Congress. The Lithuanian Government will avail itself of this opportunity when it will be found that discussions in this matter will be likely to produce mutually agreeable results.

Accept [etc.].

P. ZADEIKIS.

To the Secretary of State from the Lithuanian Minister, June 10, 1938

SIR:

I have the honor to acknowledge the receipt of your note of May 31, 1938, transmitting a statement showing the amounts due and payable June 15, 1933, to December 15, 1937, inclusive, and June 15, 1938, from my Government pursuant to the terms of the debt agreement of September 22, 1924, and the moratorium agreement of June 9, 1932.

In accordance with my Government's instructions, I have the honor to inform you that the Lithuanian Government, acknowledging its indebtedness to the United States of America, regrets exceedingly its continued inability to effect the payments due to the United States Government on June 15, 1938.

My Government has taken note of your reiteration that the United States Government is fully disposed to discuss, through diplomatic channels, any proposals which the Lithuanian Government may desire to put forward in regard to the payment of this indebtedness, and that such proposals would receive careful consideration with a view to eventual submission to the American Congress. The Lithuanian Government will avail itself of this opportunity when it will be found that discussions in this matter will be likely to produce mutually agreeable results.

Accept [etc.].

P. ZADEIKIS.

POLAND

To the Secretary of State from the Polish Ambassador, December 8, 1937

SIR:

Acting upon instructions of my Government, and in answer to your note of November 20, 1937, I beg to thank you for the assurance that the United States Government is fully disposed to discuss, through diplomatic channels, any proposal which my Government desire to put forward in regard to payments resulting from the terms of the debt agreement of November 14, 1924, and the moratorium agreement of June 10, 1932.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

In connection with the above I have the honor to inform you that, for reasons analogous to those contained in the note of December 8, 1932, and confirmed by later declarations, the Polish Government are obliged to request similarly a deferment of payment of the installment payable on December 15, 1937, the Polish Government, to their great regret, still not being in a position to resume the service of the debt towards the United States.

Accept [etc.].

JERZY POTOCKI.

To the Secretary of State from the Polish Ambassador, June 14, 1938

SIR:

Acting upon instructions of my Government, and in answer to your note of May 31, 1938, I beg to thank you for the assurance that the United States Government is fully disposed to discuss, through diplomatic channels, any proposal which my Government desire to put forward in regard to payments resulting from the terms of the debt agreement of November 14, 1924, and the moratorium agreement of June 10, 1932.

In connection with the above I have the honor to inform you that, for reasons analogous to those contained in the note of December 8, 1932, and confirmed by later declarations, the Polish Government are obliged to request similarly a deferment of payment of the installment payable on June 15, 1938, the Polish Government, to their great regret, still not being in a position to resume the service of the debt towards the United States.

Accept [etc.].

JERZY POTOCKI.

RUMANIA

To the Secretary of State from the Rumanian Minister, December 14, 1937

SIR:

I have the honor to acknowledge receipt of your note of November 20, 1937, enclosing the statement showing the amounts due from the Rumanian Government up to December 15, 1937, pursuant to the terms of the debt agreement of December 4, 1925, and the moratorium agreement of June 11, 1932.

In the note of June 12, 1937, and in my previous communications, I have referred to the reasons why my Government was obliged to suspend payment under the above-mentioned agreements. The Rumanian Government feels that the considerations which governed their decision six months ago apply with equal force today, as no changes have occurred in the general situation which would permit to expect a favorable result by initiating negotiations at the present time.

Please accept [etc.].

DAVILA.

To the Secretary of State from the Rumanian Minister, June 11, 1938

SIR:

I have the honor to acknowledge receipt of your note of May 31, 1938, enclosing the statement showing the amount due from the Rumanian Government up to June 15, 1938, pursuant to the terms of the debt agreement of December 4, 1925, and the moratorium agreement of June 11, 1932.

In reply, I wish to state that the causes which forced my Government to suspend payment under the above-mentioned agreements still obtain. As a consequence, the Rumanian Government, while deeply appreciating the desire of the Government of the United States to discuss any proposals for the resumption of the payment of this indebtedness, feels obliged to postpone the beginning of negotiations until such time as economic conditions throughout the world permit the expectation of a favorable solution of this problem.

Please accept [etc.].

R. IRIMESCU.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

YUGOSLAVIA

To the Secretary of State from the Minister of Yugoslavia, December 11, 1937

SIR:

I have the honor to acknowledge the receipt of your note of November 20, 1937, with which you were good enough to transmit a statement showing the amounts due and payable on December 15, 1937, and pursuant to the debt agreement of May 3, 1926.

The Royal Government, while appreciating the readiness of the United States Government to discuss, through diplomatic channels, any proposals which may be put forward in regard to the payment of the amounts due, are unable to put at this moment any such proposals forward or to resume payments according to the aforesaid debt agreement, for the same reasons as those exposed in my previous notes.

Accept [etc.].

CONSTANTIN FOTITCH.

To the Secretary of State from the Minister of Yugoslavia, June 10, 1938

SIR:

I have the honor to acknowledge the receipt of your letter of May 31, 1938, with which you were good enough to transmit a statement showing the amounts due and payable on June 15, 1938, by the Yugoslav Government, pursuant to the terms of the debt agreement of May 3, 1926.

For the same reasons as those which I had the honor to expose in my previous letters, the Royal Government, while appreciating the willingness of the United States Government to discuss, through diplomatic channels, any proposals concerning this indebtedness, are still unable, to their sincere regret, to resume payment under the said agreement or to present, under the present circumstances, and in the present moment, any proposal to this effect.

Accept [etc.].

CONSTANTIN FOTITCH.

Exhibit 46

Text of notes delivered to the German Foreign Minister by the American Ambassador at Berlin, relative to the indebtedness of Austria to the United States (State Department press releases, April 6, 1938, and June 17, 1938)

APRIL 6, 1938.

I am directed by my Government to inform Your Excellency as follows:

On March 17, 1938, the Minister of the Republic of Austria, Mr. Edgar Prochnik, informed the Department of State that, as a result of the developments which had occurred in Austria, that country had ceased to exist as an independent nation and had been incorporated in the German Reich; that therefore the Austrian mission to this country, of which he had been the head, had been abolished; and that the affairs of the mission had been taken over by the Embassy of Germany. The German Ambassador has informed the Department of State that he has assumed the functions hitherto performed by the Minister of Austria.

The Government of the United States finds itself under the necessity as a practical measure of closing its Legation at Vienna and of establishing a Consulate General. In the circumstances I am directed by my Government to request provisional consular status for Mr. John C. Wiley, Consul General; Mr. John H. Morgan and Mr. John H. Lord, consuls; and Mr. G. Frederick Reinhardt and Mr. Thomas R. Flack, vice consuls.

APRIL 6, 1938.

In view of the announcement made to the Government of the United States by the Austrian Minister on March 17, 1938, my Government is under the necessity for all practical purposes of accepting what he says as a fact and accordingly consideration is being given to the adjustments in its own practices and procedure in various regard which will be necessitated by the change of status of Austria.

In this connection I have to notify the German Government that the Government of the United States will look to it for the discharge of the relief indebtedness of the Government of Austria to the Government of the United States under the debt agreement signed May 8, 1930, and the moratorium agreement

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

signed September 14, 1932, between the Government of the United States and the Government of Austria.

This debt was incurred by the Government of Austria for value received through the purchase of flour under the authority of the act of Congress approved March 30, 1920, which authorized the United States Grain Corporation to sell flour on credit to relieve populations in countries of Europe or countries contiguous thereto, suffering for the want of food. It was first represented by an obligation of the Government of Austria dated September 4, 1920, in the amount of $24,055,708.92, which with other obligations of a similar tenor issued at the same time in favor of several other governments was by the express terms thereof a first charge on all the assets and revenues of Austria. On June 9, 1923, the Secretary of the Treasury of the United States, under special authority conferred by joint resolution of Congress approved April 6, 1922, subordinated the lien of this obligation upon the assets and revenues of Austria to the lien of the Austrian reconstruction loan of 1923, which has since been redeemed, and of the so-called Czechoslovakian conversion loan, upon certain revenues of the Government of Austria. On July 2, 1930, the Secretary of the Treasury, under special authority of an act of Congress approved February 4, 1929, subordinated the lien of the Austrian relief bonds held by the United States to the lien of the Austrian Government international loan of 1930. Except as thus subordinated to prior liens pursuant to the acts of Congress of April 6, 1922, and February 4, 1929, the Austrian relief obligations held by the United States are expressly secured by a first lien on all the assets and revenues of Austria.

In addition to the sums owed this Government from the Austrian Government, consideration is required for the various dollar obligations of Austrian borrowers which are in private hands. The Austrian Government itself borrowed in the American market in 1930, the issue being part of the Austrian Government international loan of 1930 and being secured by a first charge upon the gross receipts of the Austrian customs and tobacco monopoly, subject at the present time only to the charge on these revenues in respect of the Czechoslovakian conversion loan. Furthermore, substantial amounts of bonds publicly issued in the American market by several Austrian political subdivisions and corporations, payable in dollars, are owned by citizens and residents of the United States.

On these dollar bonds in private hands, the Austrian Government and the other Austrian debtors have been making regular payments pursuant to the terms of the obligations. This Government will expect that these obligations will continue to be fully recognized and that service will be continued by the German authorities which have succeeded in control of the means and machinery of payment in Austria. The welfare of numerous American citizens is directly affected and this Government will appreciate prompt assurances on the subject.

JUNE 17, 1938.

In pursuance to instructions received from my Government, I have the honor to bring to Your Excellency's attention that according to advices received from the Foreign Bondholders Protective Council, the June 1, 1938, monthly service installment on the Austrian Government international loan of 1930 has not been paid. In this connection I have the honor to refer to my note of April 6 notifying Your Excellency that the Government of the United States will look to the German Government for the discharge of the relief indebtedness of the Government of Austria to the Government of the United States and pointing out that the lien of this relief indebtedness upon the assets and revenues of Austria has been subordinated by the United States to the lien of the Austrian international loan of 1930 upon the same assets and revenues.

While no reply to this note has been received, indications were given on the occasion of the presentation of the Embassy's Aide Memoire of May 16 that Your Excellency's Government was taking the position that having regard to former precedents of international law and to the principles applied therein it was not under a legal obligation to take over the external debts of the Austrian Federal Government.

The Government of the United States does not wish to omit, on the occasion of the failure of the German Government to make the contractual monthly payment due June 1 on the Austrian loan of 1930, in spite of the express charge which it enjoys on the assets and revenues of Austria taken over by the German Government, to state its dissent from the indicated position of the German Government as to its legal responsibilities in the premises, and to express the hope that Germany may yet undertake the payments incumbent on it both under international law and under equity.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

It is believed that the weight of authority clearly supports the general doctrine of international law founded upon obvious principles of justice that in case of absorption of a state, the substituted sovereignty assumes the debts and obligations of the absorbed state, and takes the burdens with the benefits. A few exceptions to this general proposition have sometimes been asserted, but these exceptions appear to find no application to the circumstances of the instant case. Both the 1930 loan and the relief loans were made in time of peace, for constructive works and the relief of human suffering. There appears no reason why American creditors of Austria should be placed in any worse position by reason of the absorption of Austria by Germany than they would have been in had such absorption not taken place. The United States Government therefore, while recognizing that the German Government is at present engaged in negotiations with numerous governments covering this and related questions, regrets that the service of the loan, affecting many American holders, should have been interrupted, reasserts its own position, and requests that as early reply as possible may be made to the note of April 6, 1938.

Exhibit 47

Announcement concerning the proposal of the Hungarian Government to make payments on account of its indebtedness to the United States (State Department press release, August 26, 1937)

The Hungarian Government has made a proposal to pay the Government of the United States the amount of $19,656.32 per annum in semiannual installments of $9,828.16 over a period of three years, the first installment being paid December 15, 1937, on account of the amounts due under the Hungarian debt funding agreement of April 25, 1924, and the moratorium agreement of May 27, 1932. The payments are to be made without prejudice to the obligations of the Hungarian Government under these agreements, which the Hungarian Government continues to acknowledge.

The Government of the United States has agreed to receive these payments and to credit them on account of the amounts due and has expressed to the Hungarian Government its gratification for the partial resumption of effective payment on the debt, transfer of which has been interrupted since the general transfer moratorium on Hungarian foreign debts proclaimed by the Hungarian Government December 23, 1931.

The regular payments due from Hungary under the funding and moratorium agreements from December 15, 1937, to June 15, 1940, inclusive, are as follows:

	Funding agreement		Moratorium agreement	Total
	Principal	Interest		
Dec. 15, 1937	$13,830.00	$32,047.57	$4,225.58	$50,103.15
June 15, 1938		31,805.55	4,225.58	36,031.13
Dec. 15, 1938	14,345.00	31,805.55	4,225.58	50,376.13
June 15, 1939		31,554.52	4,225.58	35,780.10
Dec. 15, 1939	14,850.00	31,554.51	4,225.58	50,630.09
June 15, 1940		31,294.64	4,225.58	35,520.22
Total	43,025.00	190,062.34	25,353.48	258,440.82

The partial payments proposed by Hungary are as follows:

	Amount	Percentage of amount due on respective date		Amount	Percentage of amount due on respective date
Dec. 15, 1937	$9,828.16	19.6	Dec. 15, 1939	9,828.16	19.4
June 15, 1938	9,828.16	27.3	June 15, 1940	9,828.16	27.7
Dec. 15, 1938	9,828.16	19.5			
June 15, 1939	9,828.16	27.5	Total	58,968.96	22.8

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The Hungarian Government has made no payment to the United States Treasury under the debt agreement and the moratorium agreement since the Hoover moratorium year July 1, 1931, to June 30, 1932. It has, however, regularly included in its budget the amounts payable under the agreements and has deposited in the Hungarian National Bank on the respective due dates Hungarian Treasury bills in favor of the United States in respect of the amounts payable semiannually. During this time, since December 23, 1931, the Hungarian Government has suspended transfer into foreign currencies of payments on all Hungarian governmental and nongovernmental long-term and short-term foreign debts with the exception of the Hungarian Government reconstruction loan of 1924. Since 1933 transfer on the reconstruction loan has also been partially suspended, the Government paying in foreign exchange 55 percent in 1934 and thereafter 50 percent of the face value of the bond coupons.

The Hungarian bonds held by the Government of the United States under the debt agreement and the moratorium agreement have been subordinated to the reconstruction loan pursuant to a provision in the debt agreement and in the act of Congress approved May 23, 1924, which provided that all or any part of the security for the bonds issued under the debt agreement "may be released by the Secretary of the Treasury on such terms and conditions as he may deem necessary or appropriate in order that the United States may cooperate in any program whereby Hungary may be able to finance its immediate needs by the flotation of a loan for reconstruction purposes." On May 29, 1924, acting under the authority conferred by the act of Congress above referred to, the Secretary of the Treasury, Mr. Andrew W. Mellon, on behalf of the United States, consented to subordinate the lien of the bonds issued under the debt agreement upon the assets and revenues of Hungary to that of the Hungarian reconstruction loan which was then in contemplation under a plan approved by the Reparation Commission on February 21, 1925.

The Hungarian Government's proposals for partial resumption of service on its indebtedness to the United States Government are made in connection with arrangements recently undertaken by the Hungarian Government for a general liquidation of the transfer moratorium. The Hungarian Government has negotiated with bondholders protective committees for a permanent readjustment of the reconstruction loan of 1924, on the basis of paying 60 percent of the original bond interest, canceling the unpaid arrears of interest. This proposal has been recommended to bondholders by the respective bondholders protective committees. The Hungarian authorities have also proposed to holders of other Hungarian long-term bonds a partial resumption of payment of interest in foreign currencies during the years August 1, 1937, to July 31, 1940. The Foreign Bondholders Protective Council has recommended these proposals to American bondholders, stating that the offer made by the Hungarian Government is the best that could be obtained, is in line with its present exchange position, and with the reasonable expectations for the future, and as indicating a genuine effort upon the part of the Hungarian Government to resume dollar remittances to the holders of its foreign dollar bonds.

The indebtedness of the Government of Hungary to the United States originated from the sale of flour to the Hungarian Government under the act of Congress approved March 30, 1920, which authorized the United States Grain Corporation, with the approval of the Secretary of the Treasury, to sell or dispose of flour in its possession for cash or on credit for such prices or upon such terms and conditions as might be necessary to relieve the populations in the countries of Europe or countries contiguous thereto suffering for the want of food. The debt agreement of May 25, 1924, funded the Hungarian indebtedness with interest accrued thereon from May 29, 1920, to December 15, 1923, at the rate of 4¼ percent per annum, into $1,939,000 par amount of bonds of Hungary maturing serially on each December 15, from December 15, 1924, to December 15, 1985, and bearing interest at the rate of 3 percent per annum from December 15, 1923, to December 15, 1933, and thereafter at the rate of 3½ percent per annum until the principal thereof shall have been paid.

The payments to be received under the Hungarian proposals represent the first resumption of payment or partial payment by any government which has entirely suspended payment of its funded indebtedness to the United States. The Government of Greece has from time to time made partial payments on its especially secured indebtedness under part II of the Greek debt agreement of May 10, 1929, but has made no payments since July 1, 1931, on its indebtedness under part I of that agreement, or under the Greek moratorium agreement of May 24, 1932. The Government of Finland has made all payments due from it on their

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

due dates. No other debtor government has made any payment since December 15, 1933.

The correspondence between the two governments is attached.

Text of note from the Honorable Anthony de Balásy, Chargé d'Affaires ad interim of Hungary, to the Secretary of State of the United States, August 16, 1937

SIR:

Referring to your note of May 28, 1937, with regard to the indebtedness of the Government of Hungary to the Government of the United States in which you reiterate your Government's disposition to discuss through diplomatic channels any proposals which my Government may desire to put forward concerning the payment of this indebtedness, I have the honor to inform you of the receipt of instructions from the Royal Hungarian Foreign Office to submit the following proposals with respect to the amounts due under the debt funding agreement of April 25, 1924, and the moratorium agreement of May 27, 1932.

Before setting forth the proposals in detail, I have been instructed to point out that although financial and economic conditions in Hungary have undergone a slight improvement, the amount of foreign exchange for meeting the services on the aforementioned indebtedness is available only in a limited amount. Thus the payments must of necessity be small but nevertheless they will entail considerable sacrifice and therefore my Government begs to express the hope that the Government of the United States will consider them with proper understanding.

The Royal Hungarian Government proposes to pay to the Government of the United States the amount of $19,656.32, representing one per centum of the principal of $1,965,632.75 due under the above-mentioned agreements, in semi-annual installments of $9,828.16 over a period of 3 years, the first payment to be made on December 15, 1937, and the last to be made on June 15, 1940.

The settlement of interests which have accrued from the 16th of June 1932 to the 15th of June 1937 would be held in suspense for the time being.

The Hungarian Government would leave to the discretion of the American Government what portion of the proposed payment should be applied to the interests and what portion to the principal. However, if it is in any way possible, the Hungarian Government would like to have 25 per centum, i. e., $4,914.08, of the proposed payment applied on account of the interest due in the respective period, and the remaining 75 per centum to the amortization of the principal, with the understanding that the whole question of the application of payments to principal and interest will be considered in any eventual subsequent negotiations for the settlement of the debt.

In connection with the above, the Hungarian Government begs to refer to the treasury certificates (bearing interest at 4 and 2 per centum per annum), which have been substituted for the interest payments on the relief loan and which have been deposited to the Foreign Creditors Account at the Hungarian National Bank during the entire period of the transfer moratorium, and to advise that in their place would be deposited one noninterest-bearing treasury certificate and that the interests which have accrued on the above certificates and have been paid into the Foreign Creditors Account would be refunded to the Hungarian Government. In view of the fact that the proposed payments, which in case of their acceptance would cover a period of 3 years, have been calculated on the basis of the original principal, which principal is hereby acknowledged again by my Government, the Hungarian Government feels that those treasury certificates which have been deposited during the period of the transfer moratorium and applied against the installments of the sinking fund should be canceled and the interests which have accrued thereon should be refunded to the Hungarian Government.

I have the honor to request that the foregoing be brought to the attention of the competent American authorities and that I may be informed of their reply in order that I may advise my Government accordingly.

Accept [etc.].

ANTHONY BALÁSY.

Text of note from the Secretary of State of the United States to the Chargé d'Affaires ad interim of Hungary, August 26, 1937

SIR:

I duly transmitted for the consideration of the Acting Secretary of the Treasury your note No. 704/R, dated August 16, 1937, through which the Hungarian Government proposed to pay to the United States the amount of $19,656.32 annually

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

over a period of three years in semiannual installments of $9,828.16, the first payment to be made on December 15, 1937, and the last to be made on June 15, 1940.

I have now received a communication from the Acting Secretary of the Treasury in which, after reciting the various statements and requests in your note, including the fact that the proposal of your Government is accompanied by a definite acknowledgment by your Government of its indebtedness to the United States, the Acting Secretary requests that I transmit to you a notification in the following sense:

"The Hungarian Government should be informed that the Treasury Department will receive the semiannual payments contemplated under its proposal. The Hungarian Government states that it will leave to the discretion of the American Government what portion of the proposed payments should be applied to interest and what portion to principal. Under all the circumstances the Treasury Department feels that the proposed payments should be applied entirely to interest, and, therefore, pursuant to the offer of the Hungarian Government will apply such payments accordingly. The Hungarian Government should, however, be informed that the acceptance of such payments by the Treasury for application on account of its indebtedness to the United States cannot be construed as a concurrence in the proposal of the Hungarian Government as to suspension of payments previously due, nor in any way alter the provisions of its debt funding agreement of April 25, 1924, and moratorium agreement of May 27, 1932, with the United States or prejudice the rights of the United States Government.

"With respect to that part of the proposal of the Hungarian Government relative to the substitution of a noninterest-bearing treasury certificate to the Foreign Creditors Account at the Hungarian National Bank for treasury certificates previously deposited in such account, the Treasury has taken due note of the action contemplated to be taken by the Hungarian Government in this connection. However, the attention of that Government should again be directed to the provisions of its debt funding and moratorium agreements and it should be notified that the issuance and deposit of the treasury certificate as indicated above cannot, in any way, alter the provisions of its agreements with the United States or prejudice the rights of the United States Government."

In transmitting this notification from the Secretary of the Treasury, I desire to express the gratification with which this Government learns that the Hungarian Government will resume payment in dollars of a substantial part of current installments falling due on its indebtedness to the Government of the United States, which it has continued to acknowledge but on which payment in dollars has been interrupted as part of a general transfer moratorium. The ability of Hungary at the present time to adjust part of its foreign indebtedness on a permanent basis and to resume partial payment on the rest on a temporary and provisional basis is an encouraging evidence of improved economic conditions. The promptness with which the Hungarian Government, after negotiating a settlement of prior ranking indebtedness, has offered to make partial current payments on its indebtedness to the United States Government, while continuing to acknowledge the obligation to pay in full, is a heartening sign of recognition of the importance of conserving the sanctity of intergovernmental contractual obligations.

Accept [etc.].

CORDELL HULL.

Exhibit 48

Message from the President of the United States to the Congress, March 28, 1938, concerning the desire of the Hungarian Government to repay its relief loan to the United States without interest

THE WHITE HOUSE, *March 28, 1938.*

To the Congress of the United States:

I transmit herewith, for the consideration of the Congress, a communication from the Minister of Hungary on the relief indebtedness of Hungary to the United States, in which the Hungarian Government tentatively formulates for the consideration of the American Government a possible basis for a new debt arrangement between the two countries to replace completely the debt agreement of 1924 and accruals thereunder.

The indebtedness of the Government of Hungary to the Government of the United States is not a war debt but is properly designated as a relief debt, having been contracted in May 1920 under the authority of the act of March 30, 1920,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

which authorized the United States Grain Corporation, with the approval of the Secretary of the Treasury, to sell or dispose of flour in its possession for cash or on credit at such prices and on such terms or conditions as considered necessary to relieve the populations in the countries of Europe or countries contiguous thereto suffering for the want of food. The American Relief Administration acted as the fiscal agent of the United States Grain Corporation in dispensing this relief.

The original indebtedness, the principal amount of which was $1,685,835.61, with interest accrued thereon from May 1920 to December 1923, at the rate of 4¼ percent per annum, was funded as of the latter date, by agreement made in April 1924, into bonds of Hungary in the aggregate principal amount of $1,939,000, maturing serially in the succeeding years for 62 years, bearing 3 percent for the first 10 years and thereafter at the rate of 3½ percent per annum. In approving this debt settlement, the Congress authorized the Secretary of the Treasury to subordinate the lien of the bonds taken under it to the lien of the Hungarian reconstruction loan, which was about to be issued and sold in numerous countries, including the United States. In May 1924 the Secretary, acting upon this authorization, formally subordinated the American Government's lien to the lien of the reconstruction bond issue.

On December 23, 1931, the Hungarian Government proclaimed a transfer moratorium suspending payment in foreign currencies of all Hungarian foreign obligations, public and private, except the aforesaid reconstruction loan of 1924. Payments on the latter loan were subsequently suspended in part. During 1937 the Hungarian Government began liquidating the transfer moratorium by negotiating agreements with the foreign holders of Hungarian obligations for the acceptance of reduced payments in full satisfaction of existing indebtedness. It is in this connection that the Hungarian Government has now come forward of its own initiative in an effort to reach an agreement with the United States Government under which the relief indebtedness can also be discharged in full.

No readjustment of the terms of payment of the Hungarian indebtedness to the United States can be made except pursuant to act of Congress. The Hungarian Government is seeking a definitive readjustment of the terms of payment of this indebtedness on the basis of full payment over a period of years of the total original amount borrowed, without interest.

The Hungarian Government calls attention to the similarity between its suggested basis for payment and that accepted by the United States in the Austrian debt agreement of May 8, 1930, which provided that a sum very slightly in excess of the original Austrian indebtedness incurred in 1920 should be repaid, without interest, in 40 annuities. The Congress of the United States, after full consideration of the nature of the Austrian indebtedness, voted by a large majority in the House of Representatives and by a unanimous procedure in the Senate to authorize the signature of the draft agreement which had been prepared by the Treasury Department and the representatives of the Austrian Government. The Hungarian debt is a relief debt like the Austrian one.

The Hungarian Minister also suggests that the terms compare favorably with those in several other debt settlements, and that in announcing the signature of the debt agreement with Austria in 1930, the Secretary of the Treasury said:

"The settlement compares favorably with the settlement made by the United States with the Governments of Greece, Italy, and Yugoslavia."

It has, of course, been the consistent policy of the United States to consider each debt in the light of the circumstances of the debtor government, and it is with this in view that the Hungarian communication is transmitted to the Congress.

I believe the proposals of the Hungarian Government should receive the most careful consideration of the Congress. They represent a noteworthy wish and effort of the Hungarian Government to meet its obligations to this Government.

In its simplest terms, the offer of the Hungarian Government is to repay to the United States the whole of the relief loan but without payment of any interest thereon.

FRANKLIN D. ROOSEVELT.

(Enclosure: Aide Memoire on Hungary's relief debt to the United States, February 7, 1938.)

AIDE MEMOIRE ON HUNGARY'S RELIEF DEBT TO THE UNITED STATES

1. Hungary, normally a wheat- and flour-exporting country, was faced in 1920 with a threatening famine. It became necessary therefore to purchase on credit from the United States Grain Corporation 13,890 tons of flour at a price of $121.37

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

per ton and the Hungarian Government became indebted to the American Government for the cost of this purchase in the amount of $1,685,835.

This debt was funded into interest-bearing bonds in 1924. The funded principal amount of these bonds was $1,939,000 since there was included in the total an amount of $253,000 which had accrued as interest between 1920 and 1924.

The Hungarian-American debt settlement was worked out on the same basis as the British American debt funding settlement, containing none of the concessions which were later granted from those terms to other countries. The total principal to be repaid included, as has already been remarked, a large element of accrued interest. Furthermore, the annual payments becoming due on the new principal from the very beginning of the agreement contained a large element of interest payment.

This is in contrast to the settlements reached with other Danubian countries which had likewise incurred relief debts to the American Government at about the same time and for similar purposes. In these other funding arrangements the annuities provided for the years between 1924 and 1931 were all on account of the principal amount of indebtedness.

On the other hand, as a result of this difference in terms, of the $468,466.32 which the Hungarian Government paid during these years, only $73,995.50 was applied to reduction of principal, the other $393,717.78 being charged as interest. Thus the nominal unpaid principal of the Hungarian debt now stands at a substantially higher total than it would, had Hungary enjoyed the terms later granted to other Danubian countries.

The failure of Hungary to effect payments to the United States under the terms of its debt contract had no relation whatsoever with the defaults of other debtors of the United States. In December 1931, 6 months before the Hoover moratorium expired, the sudden withdrawal of foreign short-term credits completely exhausted the gold and foreign exchange reserve of the National Bank of Hungary and forced the Government, in order to safeguard the financial stability of the country, to decree a transfer moratorium on all foreign debts.

The annuities due under the funding agreement of 1924 were included, however, by the Hungarian Government in every budget passed by Parliament from 1932 to 1937, and on each payment date the United States Government was informed that in lieu of transfer, treasury bills in the national currency were deposited in its favor.

Since the summer of 1937 the Hungarian Government has been emerging from the moratorium which for several years has interrupted payments on all kinds of Hungarian foreign debts to all classes of creditors in all parts of the world. Arrangements on a provisional and temporary basis have been worked out with various groups of creditors. Concurrently a payment of $9,828.16 was made to the American Government on December 15, 1937.

2. Responsive to the repeated indications given by the American Government to the effect "that this Government is fully disposed to discuss, through diplomatic channels, any proposals which your Government may desire to put forward in regard to the payment of this indebtedness, and to assure you that such proposals would receive careful consideration with a view to eventual submission to the American Congress," the Hungarian Government is now prepared to offer to the United States Government to pay in full the total original amount borrowed.

It therefore tentatively formulates for the consideration of the American Government a possible basis of a new debt arrangement between the two countries to replace completely the debt agreement of 1924 and accruals thereunder.

The forms and terms for effecting this new settlement which are under consideration as the basis of a possible offer to the American Government are as follows:

(*a*) That all payments hitherto made by the Hungarian Government under the debt settlement of 1924 to the United States (approximate amount $478,000) should be recalculated as credited against original principal ($1,685,000).

(*b*) That the original principal ($1,685,000) of the amount borrowed less the preceding amount paid ($478,000), or $1,207,000, be paid in full in a series of annuities.

(*c*) The sum total of these annuities shall be equal to this reduced principal and shall be in the form of dated noninterest-bearing notes falling due at specified dates. These annuities shall run for a period of approximately 30 years (and hence each would be approximately in the amount of $39,000).

3. The Hungarian Government wishes to point out that the sum total of these annuities, taken together with amounts previously paid by the Hungarian Government under the debt agreement of 1924, would be identical with the whole

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

original amount borrowed, and thus represent an exact and full discharge of the debt.

The Hungarian Government hopes all the more that this offer will prove acceptable to the American Government as it very closely approximates the basis for payment annuities already accepted in the Austrian settlement of May 8, 1930, for the discharge of a relief indebtedness of the same character and referring to a country whose capacity to pay can hardly be considered inferior to that of Hungary.

In announcing the signature of said agreement with Austria, the Treasury Department stated that "The settlement compares favorably with the settlements made by the United States with the Governments of Greece, Italy, and Yugoslavia."

The Hungarian offer would be even more favorable to the United States Government as, in contrast to the terms of the Austrian settlement, the Hungarian Government offers complete repayment of its relief obligation within the present generation.

JOHN PELENYI.

WASHINGTON, D. C.
February 7, 1938.

Exhibit 49

Announcement concerning the treaty between the United States and Nicaragua for adjustment of pending financial questions (State Department press release, April 14, 1938)

The Government of Nicaragua is indebted to the Government of the United States in the amount of approximately $484,000 for the purchase of surplus arms, ammunition, and other military equipment. The principal transactions were concluded on November 14, 1921, and February 25, 1927. The amount of the principal is $289,898.78. Interest charges had increased this amount to approximately $484,000 as of August 30, 1937.

The Nicaraguan Government on the other hand has been endeavoring for a number of years to obtain settlement of its claim for refund of income taxes paid to the Government of the United States by the Ferrocarril del Pacifico de Nicaragua (Pacific Railway of Nicaragua), which was incorporated in 1912 under the laws of the State of Maine. The railroad is owned and operated by the Government of Nicaragua and functions solely within the territory of that country. The amount of taxes for which refund is claimed is $372,879.06. Interest charges as of August 30, 1937, had increased this amount to the sum of $641,115.91.

Beginning in 1922 the Nicaraguan Government sought to have the railroad declared exempt, as an agency of that Government, from taxation by the United States, and to obtain refund of income taxes previously paid. Pending consideration of the matter, however, the taxes continued to be paid. The Commissioner of Internal Revenue, in Decision No. 2076, of April 17, 1931, stated that—

"The entire overassessments are due to the fact that, after a thorough consideration of the taxpayer's manner of organization and mode of operation, it is determined that the corporation is an agency of a foreign government and is exempt from the operation of the Federal revenue laws and the regulations promulgated thereunder, sections 213 (b) (5) and/or 231(12), Revenue Acts of 1918 and 1921."

Refund of taxes for the years 1921 and 1922 was made. Claims for the remaining years (1919, 1920, and 1923 to 1928, inclusive) were rejected on the ground that they had not been filed within the period prescribed by statute for the filing of claims for the refund of income taxes although the corporation was held to be exempt from tax for all years involved.

Following further consideration of the matter by the various Government agencies concerned, it was decided that the most desirable manner of effecting a settlement would be through the conclusion of a treaty. The treaty signed today offsets the two items and provides for the payment of $72,000 by the Government of the United States to the Government of Nicaragua.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 50

Agreement with Nicaragua providing adjustment of certain accounts and refund of income taxes, ratified by the Senate on June 13, 1938

The United States of America and the Republic of Nicaragua:

Considering that the Government of the Republic of Nicaragua is indebted to the Government of the United States of America in the amount of $289,898.78, representing unpaid balance of the principal amount of indebtedness incurred for the purchase from the Government of the United States of America of certain arms and ammunition;

Considering that the Government of the Republic of Nicaragua makes a claim to refund of income taxes from the Government of the United States of America in the principal amount of $372,879.06, representing payment of income taxes to the Government of the United States of America by the Ferrocarril del Pacifico de Nicaragua; and

Being desirous of adjusting in a mutually satisfactory manner the aforesaid accounts and of strengthening still further the friendly relations which happily exist between the two Governments;

Have decided to enter into an agreement for that purpose and to that end have appointed their plenipotentiaries:

The President of the United States of America; Cordell Hull, Secretary of State of the United States of America; and

The President of the Republic of Nicaragua; Señor Doctor Don León De Bayle, Envoy Extraordinary and Minister Plenipotentiary of Nicaragua in Washington, who, having communicated their respective full powers to each other, which have been found to be in good and due form, have agreed upon the following:

ARTICLE I

The Government of the United States of America shall pay to the Government of the Republic of Nicaragua the sum of $72,000 in full settlement of the claim of the Government of the Republic of Nicaragua for refund of $372,879.06, being the principal amount of certain income taxes paid by the Ferrocarril del Pacifico de Nicaragua, and for refund of interest thereon.

ARTICLE II

The Government of the Republic of Nicaragua agrees to accept the payment of $72,000 in full settlement of its aforesaid claim, and in consideration of such agreement the Government of the United States of America hereby cancels the present indebtedness of the Government of the Republic of Nicaragua to it for arms and ammunition sold to the Government of the Republic of Nicaragua, in the principal amount of $289,898.78, together with interest thereon.

ARTICLE III

The present agreement shall be ratified in accordance with the constitutional methods of the High Contracting Parties and shall take effect immediately on the exchange of ratifications, which shall take place as soon as possible at Washington.

In witness whereof, the plenipotentaries have signed this agreement in duplicate, in the English and Spanish languages, both texts being authentic, and have hereunto affixed their seals.

Done at the city of Washington, the 14th day of April, 1938.

For the President of the United States of America:

[SEAL] CORDELL HULL.

For the President of the Republic of Nicaragua:

[SEAL] LEÓN DE BAYLE.

104825—39——21

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

GOVERNMENT LOSSES IN SHIPMENT

Exhibit 51

An act to dispense with the necessity for insurance by the Government against loss or damage to valuables in shipment, and for other purposes

[Public No. 192, 75th Cong., H. R. 6635]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as soon as practicable after the approval of this act the Secretary of the Treasury and the Postmaster General shall, jointly, with the approval of the President, prescribe regulations governing the shipment of valuables by the executive departments, independent establishments, agencies, wholly owned corporations, officers, and employees of the United States, with a view to minimizing risks of loss and destruction of, and damage to, such valuables in shipment. After the effective date of such regulations, which shall be not more than thirty days after their issuance, it shall be the duty of every such executive department, independent establishment, agency, wholly owned corporation, officer, and employee, and of every person acting for him or it, or at his or its direction, to comply with such regulations in making any shipment of valuables.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000 to be used, under the direction of the Secretary of the Treasury, for the replacement of valuables, or the value thereof, lost, destroyed, or damaged in the course of shipment effected pursuant to the regulations prescribed under section 1. There is hereby further authorized to be appropriated annually, beginning with the fiscal year 1939 and ending with the fiscal year 1948, inclusive, the sum of $200,000 for the said purposes, and from time to time such additional sums as may be necessary for the said purposes. There shall be in the Treasury of the United States a revolving fund, to be known as "the fund for the payment of Government losses in shipment" (hereinafter referred to as "the fund"), to be constituted of the said sum of $500,000 and the sums hereafter appropriated for the said purposes, together with all recoveries and repayments credited to the fund as hereinafter provided. There is hereby further authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, for expenditures under the direction of the Secretary of the Treasury, to be used for the payment of administrative expenses, including personal services, necessary to carry out the provisions of this act for the fiscal year 1938.

SEC. 3. In the event of loss or destruction of, or damage to, valuables of which shipment shall have been made pursuant to the regulations prescribed under section 1, a claim in writing for replacement shall be made upon the Secretary of the Treasury who, if he shall be satisfied that such loss, destruction, or damage has occurred and that shipment was made substantially in accordance with such regulations, shall cause replacement to be made out of the fund through such officers as he may designate. Notwithstanding any provision of law to the contrary, the decision of the Secretary of the Treasury that such loss, destruction, or damage has occurred or that such shipment was made substantially in accordance with such regulations shall be final and conclusive and shall not be subject to review by any other officer of the United States: *Provided, however,* That where the Secretary of the Treasury determines that such replacement can be effected, in whole or in part, without actual or ultimate injury to the United States, by a credit in the accounts of the executive department, independent establishment, agency, officer, employee, or other accountable person making the claim, he shall not resort to the fund, except to the extent that such replacement cannot be so effected by such credit, but shall certify such determination to the Comptroller General and, upon receipt of such certification, the Comptroller General is authorized and directed to make such credit in the settlement of accounts in the General Accounting Office: *Provided further,* That the fund shall not be available with respect to any loss, destruction, or damage affecting valuables of which shipment shall have been made by or on behalf of the Public Debt Service of the Treasury Department, insofar as such loss, destruction or damage is chargeable against the indefinite appropriation "Expenses of loans, act of September 24, 1917, as amended and extended" (U. S. C., 1934 edition, title 31, secs. 760, 761): *And provided further,* That the fund shall not be available with respect to any loss, destruction, or damage affecting valuables, insofar as such loss, destruction, or damage may be adjusted by the Postmaster General under the provisions of the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

act of March 17, 1882, as amended (U. S. C., 1934 edition, title 39, sec. 49); nor shall it be available with respect to any loss, destruction, or damage affecting valuables of which shipment shall have been made at the risk of persons other than the United States, its executive departments, independent establishments, agencies, wholly owned corporations, officers, and employees. All recoveries and repayments on account of loss, destruction, or damage to valuables of which replacement shall have been made out of the fund shall be credited to it and shall be available for the purposes thereof.

SEC. 4. On and after the effective date of the regulations prescribed under section 1, no executive department, independent establishment, agency, wholly owned corporation, officer, or employee shall expend any money, or incur any obligation, for insurance, or for the payment of premiums on insurance, against loss, destruction, or damage in the shipment of valuables except as specifically authorized by the Secretary of the Treasury. The Secretary of the Treasury may give such authorization if he shall find that the risk of loss, destruction, or damage in such shipment cannot be adequately guarded against by the facilities of the United States or that the circumstances are such that adequate replacement cannot be provided under this act.

SEC. 5. Every officer and employee of the United States and every person acting on behalf of a wholly owned corporation who makes a shipment of valuables in good faith pursuant to and substantially in accordance with the regulations prescribed under section 1 shall be deemed, insofar as there may be concerned the propriety with respect to such shipment of any act or omission governed by such regulations, to be acting in faithful execution of his duties of office and in full performance of the conditions of his bond and oath of office, if any.

SEC. 6. The Secretary of the Treasury shall have power, with the approval of the President, to make such rules and regulations as may be necessary for the execution of the functions vested in him by this act, and may for such purpose require persons making shipment of valuables or making claims for replacement to make such declarations or to furnish him with such other information as he may deem necessary.

SEC. 7. For the purposes of this act—

(a) The term "valuables" means any article or thing or representative of value in which the United States has any interest, or in connection with which it has any obligation or responsibility, direct or indirect, and which is of, or is similar to, a class or kind of article or thing or representative of value which it has been the practice heretofore of the United States to insure as the insured party, against loss, destruction, or damage in shipment, and includes, but is not limited to, coin, specie, bullion, currency, bonds, coupons, debentures, bills, notes, certificates of indebtedness, certificates of deposit, mortgages, assignments, certificates of stock, warehouse receipts, checks, trust receipts, warrants, stamps, and any other securities, papers, or materials of value, whether complete, incomplete, mutilated, in definitive form, or represented by interim documents; the term "United States" as used in this subsection means the United States or any of its executive departments, independent establishments, agencies, wholly owned corporations, officers, or employees;

(b) The term "shipment" means the transportation, or the effecting of transportation, of valuables, without limitation as to the means or facilities used or by which the transportation, is effected or the person to whom it is made, and includes, but is not limited to, shipments made to any executive department, independent establishment, agency, wholly or partly owned corporation, officer, or employee of the United States, or any person acting on his or its behalf or at his or its direction;

(c) The term "wholly owned corporation" means any corporation, regardless of the law or laws under which it is incorporated, the capital of which is entirely owned, directly or indirectly, by the United States, and includes the duly authorized officers, employees, and agents thereof;

(d) The term "replacement" means payment, reimbursement, replacement, or duplication or the expenses incident thereto.

SEC. 8. (a) Whenever it is clearly proved to the satisfaction of the Secretary of the Treasury—

(1) That any interest-bearing security of the United States, identified by number and description, payable to bearer or so assigned as to become, in effect, payable to bearer, has been wholly or partly destroyed, or so mutilated or defaced as to impair its value to the owner, or has been lost or stolen under such circumstances, and such a period of time having elapsed after it has matured or has become redeemable pursuant to a call for redemption, as in the judgment of the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Secretary would indicate that it has been destroyed or irretrievably lost, is not held by any person as his own property and will never become the basis of a valid claim against the United States; or

(2) That any interest-bearing security of the United States, identified by number and description, which is not payable to bearer and which has not been so assigned as to become, in effect, payable to bearer, has been lost or stolen, so that it is not held by any person as his own property, or has been wholly or partly destroyed, or so mutilated or defaced as to impair its value to the owner;

the Secretary, upon receipt and approval by him of a bond of indemnity, if and as required by subsection (b) hereof, shall, in the case of a security which has not matured or become redeemable pursuant to a call for redemption, issue a substitute marked "duplicate" and showing the serial number of the original security; or shall, in the case of a security which has matured or become redeemable pursuant to a call for redemption, make payment thereof to the owner, with such interest only as would have been paid had the security been presented when it became due and payable: *Provided*, That in the case of an interim certificate relief may be given by the issue of a definitive security, whether before or after maturity, rather than by the issue of a substitute or by payment: *And provided further*, That no payment shall be made on account of interest coupons claimed to have been attached to such original security unless the Secretary is satisfied that such coupons have not been paid, and are in fact destroyed or can never become the basis of a valid claim against the United States.

(b) Except as hereinafter provided, the owner of such lost, stolen, destroyed, mutilated, or defaced security shall file with the Secretary of the Treasury a bond, to indemnify the United States, in such form and amount and with such surety, sureties, or security as the Secretary of the Treasury shall require: *Provided*, That in case of securities payable to bearer or so assigned as to become, in effect, payable to bearer, the destruction of which has not been proved, a corporate surety, qualified under the provisions of the act of August 13, 1894, as amended (U. S. C., 1934 edition, title 6, secs. 6–13), shall be required on such bond of indemnity: *And provided further*, That a bond of indemnity shall not be required in any of the following classes of cases, except as hereinafter provided:

(1) If the Secretary of the Treasury is satisfied that the loss, theft, destruction, mutilation, or defacement, as the case may be, occurred without fault of the owner and while the security was in the custody or the control of the United States (not including the Postal Service when acting solely in its capacity as the public carrier of the mails), or of a person thereunto duly authorized as lawful agent of the United States, or while it was in the course of shipment effected pursuant to and in accordance with the regulations issued under the provisions of this act:

(2) If substantially the entire security is presented and surrendered by the owner and the Secretary of the Treasury is satisfied as to the identity of the security presented and that any missing portions are not sufficient to form the basis of a valid claim against the United States;

(3) If the lost, stolen, destroyed, mutilated, or defaced security is one which by the provisions of law or by the terms of its issue is transferable only by operation of law;

(4) If the owner is a State or political subdivision thereof, a corporation the whole of whose capital is owned by the United States, a foreign government, or a Federal Reserve bank:

Provided, however, That in any of the foregoing classes of cases the Secretary of the Treasury may require a bond of indemnity if he deems it essential to the public interest.

(c) The term "interest-bearing security of the United States" or "security," wherever used in this section, means any direct obligation of the United States issued pursuant to law for valuable consideration and which by its terms bears interest, or is issued on a discount basis, and includes (but is not limited to) bonds, notes, certificates of indebtedness, and Treasury bills, and interim certificates issued for any such security.

(d) The Secretary of the Treasury shall have the power to make such rules and regulations as he may deem necessary for the administration of this section.

(e) Sections 3702, as amended, 3703, 3704, and 3705 of the Revised Statutes of the United States (U. S. C., title 31, secs. 735, 736, 737, and 738) are hereby repealed.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

SEC. 9. Section 3646 of the Revised Statutes of the United States (U. S. C., 1934 edition, title 31, sec. 528), as amended, is further amended to read as follows:

"(a) Except as hereinafter provided, whenever it is clearly proved to the satisfaction of the Secretary of the Treasury that any original check of the United States is lost, stolen, or wholly or partly destroyed, or is so mutilated or defaced as to impair its value to its owner or holder, persons authorized to issue such checks on behalf of the United States are authorized, before the close of the fiscal year following the fiscal year in which the original check was issued, to issue to the owner or holder thereof a substitute, marked 'duplicate' and showing the number, date, and payee of the original check, upon the receipt and approval by the Secretary of the Treasury of a bond, to indemnify the United States, in such form and amount and with such surety, sureties, or security as the Secretary of the Treasury shall require; but no such substitute shall be payable if the original check shall first have been paid: *Provided, however*, That the authority herein conferred to issue substitute checks may, in the case of checks issued on account of public debt obligations and transactions regarding the administration of banking and currency laws, be issued without limitation of time.

"(b) A bond of indemnity shall not be required under subsection (a) of this section in any of the following classes of cases except as hereinafter provided: (1) If the Secretary of the Treasury is satisfied that the loss, theft, destruction, mutilation, or defacement, as the case may be, occurred without fault of the owner or holder and while the check was in the custody or control of the United States (not including the Postal Service when acting solely in its capacity as the public carrier of the mails), or of a person thereunto duly authorized as lawful agent of the United States, or while it was in the course of shipment effected pursuant to and in accordance with the regulations issued under the provisions of the Government Losses in Shipment Act; (2) if substantially the entire check is presented and surrendered by the owner or holder and the Secretary of the Treasury is satisfied as to the identity of the check presented and that any missing portions are not sufficient to form the basis of a valid claim against the United States; (3) if the Secretary of the Treasury is satisfied that the original check is not negotiable and cannot be made the basis of a valid claim against the United States; (4) if the amount of the check is less than $50 and the Secretary of the Treasury is satisfied that the giving of a bond of indemnity would be an undue hardship to the owner or holder; (5) if the owner or holder is a State or political subdivision thereof, a corporation the whole of whose capital is owned by the United States, a foreign government, or a Federal Reserve bank: *Provided, however*, That in any of the foregoing classes of cases the Secretary of the Treasury may require a bond of indemnity if he deems it essential to the public interest.

"(c) The Secretary of the Treasury shall have the power to make such rules and regulations as he may deem necessary for the administration of the provisions of this section.

"(d) Notwithstanding the provisions of subsections (a), (b), and (c) of this section, whenever any original check of the Post Office Department has been lost, stolen, or destroyed, the Postmaster General may authorize the issuance of a substitute, marked 'duplicate' and showing the number, date, and payee of the original check, before the close of the fiscal year following the fiscal year in which the original check was issued, upon the execution by the owner thereof of such bond of indemnity as the Postmaster General may prescribe: *Provided*, That when such original check does not exceed in amount the sum of $50 and the payee or owner is, at the date of the application, an officer or employee in the service of the Post Office Department, whether by contract, designation, or appointment, the Postmaster General may, in lieu of an indemnity bond, authorize the issuance of a substitute check or warrant upon such an affidavit as he may prescribe, to be made before any postmaster by the payee or owner of an original check.

"(e) Substitutes, marked as hereinabove provided, drawn on the Treasurer of the United States, shall, after the lapse of the period fixed by section 21 of the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1235; U. S. C., 1934 edition, title 31, sec. 725 (t)), for the payment of the original checks, be payable only as the original checks would be payable thereunder.

"(f) The term 'original check' wherever used in this section means any check, warrant, or other order for the payment of money, payable upon demand and not bearing interest, drawn by a duly authorized officer or agent of the United States on its behalf against an account or funds of the United States, whether upon a

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

bank or upon the Treasurer or other paying officer of the United States, but does not include money, coins, or currency of the United States nor instruments issued by any corporation or other entity owned or controlled by the United States, whether in whole or in part, against such corporation's or entity's own funds; as used in subsection (d) of this section it means such an instrument drawn by a duly authorized officer or employee of the Post Office Department."

SEC. 10. This act may be cited as the "Government Losses in Shipment Act."

SEC. 11. This act shall become effective on July 1, 1937.

Approved, July 8, 1937.

Exhibit 52

Regulations, July 16, 1937, governing the shipment of valuables pursuant to the Government Losses in Shipment Act

[Treasury Department Circular No. 576. Post Office Department Circular No. Reg. 1]

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, July 16, 1937.

To the Heads of the Executive Departments, Independent Establishments, Agencies, Wholly Owned Corporations, Officers and Employees of the United States:

The following provisional regulations are prescribed pursuant to section 1 of the Government Losses in Shipment Act, Public No. 192, Seventy-fifth Congress, first session, relative to shipments of valuables made pursuant to that act:

1. All terms used in these regulations have the same meaning as when used in said act. Section 7 of said act defines in part the term "valuables" as "any article or thing * * * which is of or is similar to a class or kind of article or thing or representative of value which it has been the practice heretofore of the United States to insure, as the insured party * * *," and the term "shipment" as "the transportation or the effecting of transportation of valuables without limitation as to the means or facilities used * * *."

2. After the effective date and hour of these regulations, as hereinafter provided, shipments of valuables shall be made (1) in the same manner and at such time as those of the same class or kind were made, when insured, immediately preceding the effective date of these regulations, or (2) in such other manner and at such other time consonant with the greatest possible protection against risk of loss and destruction of and damage to such valuables as the respective heads of the various executive departments, independent establishments, agencies and wholly owned corporations of the United States may from time to time direct, after notice to the Secretary of the Treasury.

3. These regulations shall become effective at 12:01 a. m., August 15, 1937, eastern standard time, and as to all shipments as above defined which have not left the office of the sender prior thereto.

4. The Secretary of the Treasury and the Postmaster General, with the approval of the President may, at any time, or from time to time, revoke or amend these regulations or prescribe and issue supplemental or amendatory rules and regulations pursuant to section 1 of the said Government Losses in Shipment Act.

JOSEPHINE ROCHE,
Acting Secretary of the Treasury.
W. W. HOWES,
Acting Postmaster General.

Approved:
FRANKLIN D. ROOSEVELT,
The White House.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 53

Regulations, August 13, 1937, governing claims for replacement of valuables, or the value thereof, shipped pursuant to the Government Losses in Shipment Act

[Department Circular No. 577. Accounts and Deposits]

TREASURY DEPARTMENT,
Washington, August 13, 1937.

To the Heads of the Executive Departments, Independent Establishments, Agencies, Wholly Owned Corporations, Officers and Employees of the United States, Federal Reserve Banks when acting on behalf of the United States or Agencies thereof, and Others Concerned:

The following regulations are prescribed pursuant to section 6 of the Government Losses in Shipment Act, Public No. 192, Seventy-fifth Congress, first session, approved July 8, 1937, hereinafter referred to as the "act." All terms used in these regulations shall have the same meaning as when used in said act, unless otherwise indicated.

1. *General instructions.*—To facilitate the reporting of loss or destruction of, or damage to valuables and submission of proofs of claim for relief, under the provisions of section 3 of the act, in the event of loss or destruction of, or damage to valuables shipped pursuant to the regulations prescribed under section 1 of said act, executive departments, independent establishments, agencies, wholly owned corporations, officers, employees, Federal Reserve banks when acting on behalf of the United States or agencies thereof, and others concerned, hereinafter sometimes referred to as "consignors," should observe strictly the following instructions. Failure on the part of any consignor or agent or employee thereof to comply with these instructions may retard recoveries and may under the circumstances preclude reimbursement from the fund or other relief under the act, and render the consignor responsible for any loss occurring through such negligence.

2. *Method of shipment.*—All shipments shall be made in accordance with the terms of Treasury Department Circular No. 576–Post Office Department Circular No. Reg. 1, dated July 16, 1937, and such amendments and supplements thereto as may, from time to time, be promulgated.

3. *Preparation of shipment.*—Each shipment must be inspected and verified by two responsible employees before final preparation for delivery to the carrier (to wit, before sealing, locking, etc.) and must be finally prepared for such delivery in their presence and before leaving their immediate control. In the case of any class of shipments with respect to which it is not possible or practicable to comply strictly with the foregoing requirement, it shall be the duty of administrative officers to make adequate provision, through the establishment of accounting controls, or otherwise, for the maintenance of basic records from which they will be in a position to prove to the satisfaction of the Secretary of the Treasury the exact extent of loss, destruction, or damage, in the event that claim for replacement out of the fund, or otherwise, shall be made. The foregoing requirements will apply irrespective of the carrier or method of transportation employed in making shipments.

4. *Record of shipment.*—A permanent record of each shipment must be maintained by the consignor which record must include: (1) The name and address of the consignee; (2) a complete description of the contents (if the shipment comprises securities, the record must be maintained by issue, series, denomination, and serial number, and a description of the coupons, if any, attached to such securities at the time of shipment); (3) face or par value of shipment in the case of securities, currency, etc., or replacement value in the case of other valuables; (4) the registry number or the lock and rotary numbers, if any, under which shipped; (5) the number of the registry receipt or other receipt of carrier; (6) the date and hour of delivery to the carrier; (7) a record of the signatures of the employees who verified the contents of the package and witnessed sealing; (8) a record of the signatures of the employee or employees who thereafter had custody thereof, until delivered at the post office for registration or deposited with the post office or other carrier for shipment; and (9) the name of the carrier. In addition the consignor must preserve for a reasonable time all registry receipts or other carriers' receipts, and such other documents as may be incidental to the shipments.

5. *Advice of shipment.*—In the event the value of any one shipment to one consignee at one time, by one consignor, except in the case of an intracity shipment, equals or exceeds $10,000, immediate notice thereof must be forwarded by the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

consignor to the consignee by separate mail. There should be included in such notice: (1) A complete record of the contents of the shipment; (2) the method of transportation employed and the name of the carrier; (3) the date of delivery to such carrier. The consignee should be requested to arrange: (1) That the shipment, when received, be opened and inspected by one or more responsible employees of the consignee; (2) that immediate advice of any difference between the amounts or quantity indicated in such notice and in the shipment when opened be forwarded to the consignor; (3) that the consignor and the post office, or office of other carrier through which delivery would be made, be notified immediately in the event of the failure of the shipment to arrive in due course; (4) that consignor be advised immediately concerning any damage to the shipment; and (5) that all findings of the consignee in such cases be made a matter of record which may be subject to the call or inspection of the Secretary of the Treasury or other duly authorized Government officer in connection with any investigation which may be necessary in connection therewith.

6. *Report of shipment.*—As promptly as possible after the close of each month, detailed reports of shipments made during the preceding month must be forwarded by the consignors to the Secretary of the Treasury, for attention of the Division of Deposits, substantially in the form attached hereto, marked as exhibits Nos. 1, 2, and 3.

7. *Report of loss, destruction, or damage.*—As soon as it shall come to the attention of the consignor that loss or destruction of, or damage to valuables shipped in accordance with the act has occurred, an immediate report thereof shall be forwarded in writing by the consignor to the Secretary of the Treasury, for attention of the Division of Deposits. If the loss, destruction, or damage represents a value equal to or in excess of $10,000, or if delay is likely to retard the Government in its effort to recover such valuables, such report should be transmitted by wire and promptly confirmed in writing.

Such report should indicate: (1) Date of shipment; (2) the amount and character of the valuables lost, destroyed, or damaged; (3) the name and address of consignee; (4) the method of transportation, name of carrier and location of office of carrier from which shipment was made; (5) the registry receipt or other receipt number; and (6) a statement of the cause of the loss, destruction, or damage, if known.

An immediate report of the loss, destruction, or damage should also be made by the consignor to the agent in charge of the nearest United States Secret Service office and to the local post office or local office of other carrier. Government officers reporting losses to such agencies will be expected to cooperate therewith to the fullest extent in facilitating investigations and recovery.

As expeditiously as possible and without further instructions from the Secretary of the Treasury, the consignor should proceed to place a tracer on the shipment and to take such other action as may be deemed necessary or advisable to facilitate recovery.

8. *Claim for replacement.*—Claim for replacement shall be made in writing to the Secretary of the Treasury and shall be supported by proof of claim pursuant to paragraph 9 hereof. Such claim accompanied by a recommendation with respect to the manner of replacement thereof shall be submitted through the head of the executive department, independent establishment, agency, or wholly owned corporation concerned, or, in the case of officers or employees under the Treasury Department, through their respective administrative heads. The manner of replacement shall be subject to the determination of the Secretary of the Treasury in accordance with the provisions of section 3 of the act.

9. *Proof of claim.*—The Secretary of the Treasury may require proof of claim in such form and in such manner as may from time to time be deemed necessary. In general, the requirements of the Secretary of the Treasury will be as follows:

(1) Satisfactory proof of shipment as claimed, which should be supported by the original "Record of shipment" required to be maintained pursuant to paragraph 4 hereof. The original record will be returned after adjustment of the claim.

(2) Satisfactory proof of loss, destruction, or damage. The consignor will be required to submit a statement concerning the loss or destruction of, or damage to shipment or any part thereof; and, if received by the consignee with contents not intact, all the circumstances must be set forth with respect to the condition in which such shipment was received and the manner of the inspection and verification of its contents. Whenever possible to do so, affidavits covering the loss,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

destruction, or damage should be obtained from the consignee and the carrier. Such proof of claim must be accompanied by the recommendation of the head of the executive department, independent establishment, agency, or wholly owned corporation concerned, or in the case of officers or employees under the Treasury Department of their respective administrative heads.

(3) Statement and recommendation of investigating officer or officers.

10. *Recoveries.*—In the event of loss or destruction of, or damage to valuables, for which relief shall have been granted, under section 3 of the act, the consignors are required to take such steps as are necessary and reasonable for the defense, safeguard, or recovery of the valuables or the value thereof, as the case may be, and the Secretary of the Treasury will take such further steps to that end as he may deem necessary in the particular circumstances.

All recoveries and repayments on account of loss, destruction, or damage to valuables of which replacement shall have been made out of the fund shall be forwarded to the Secretary of the Treasury and shall be credited to the fund.

The Secretary of the Treasury may at any time, or from time to time, with the approval of the President, prescribe supplemental or amendatory rules and regulations governing claims for replacement of valuables shipped pursuant to the Government Losses in Shipment Act.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Approved:

FRANKLIN D. ROOSEVELT,
The White House.

TREASURY DEPARTMENT EXHIBIT NO. 1
Division of Deposits
Form 10 DD Sheet No. ------

CONSOLIDATED REPORT OF SHIPMENTS OF VALUABLES EFFECTED UNDER THE GOVERNMENT LOSSES IN SHIPMENT ACT

---------- Agency

---------- Location

THE SECRETARY OF THE TREASURY,
Washington, D. C.
(Attention: Division of Deposits.)

Month ending ----------, 19--

1. Currency, coin, bullion, specie	$	---------
2. Securities, coupons, negotiable instruments, etc		---------
3. Canceled coupons and/or securities shipped in rotary locked pouches		---------
4. All other		---------

The above recapitulation of the schedules attached hereto is a true and complete statement of valuables, as defined in the Government Losses in Shipment Act, shipped by this agency during the period specified, which shipments have been effected in accordance with the act and regulations issued pursuant thereto.

(Signature)

(Official title)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TREASURY DEPARTMENT EXHIBIT NO. 2
Division of Deposits

Form 8 DD Sheet No. ------

SCHEDULE OF VALUABLES SHIPPED UNDER GOVERNMENT LOSSES IN SHIPMENT ACT REGISTERED AND OTHER MAIL SHIPMENTS

By ---------- Month ending ----------, 19--

Date	Hour	Registry or lock and rotary or other receipt No.	Consignee		Description [1]	Value
			Name	Address		
Total						

[1] Short title, i. e., bonds, notes, currency, etc. Complete record as required in sec. 4, subsec. 2 of Treasury Department Circular No. 577, must be on file in office of the consignor subject to call by the Secretary of the Treasury.

NOTE.—Only shipments made under the provisions of the Government Losses in Shipment Act shall be included on this schedule.

TREASURY DEPARTMENT EXHIBIT NO. 3
Division of Deposits

Form 9 DD Sheet No. ------

SCHEDULE OF VALUABLES SHIPPED UNDER GOVERNMENT LOSSES IN SHIPMENT ACT SHIPMENTS OTHER THAN BY UNITED STATES MAIL

By---------- Month ending----------,19----

Date	Hour	Receipt number	Name of carrier	Consignee		Description [1]	Value
				Name	Address		
Total							

[1] Short title, i. e., bonds, notes, currency, etc. Complete record as required in sec. 4, subsec. 2 of Treasury Department Circular No. 577, must be on file in office of the consignor subject to call by the Secretary of the Treasury.

NOTE.—Only shipments made under the provisions of the Government Losses in Shipment Act shall be included on this schedule.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 54

First supplement, August 20, 1937, to Department Circular No. 577, prescribing regulations governing claims for replacement of valuables, or the value thereof, shipped pursuant to the Government Losses in Shipment Act

TREASURY DEPARTMENT,
Washington, August 20, 1937.

To the Heads of the Executive Departments, Independent Establishments, Agencies, Wholly Owned Corporations, Officers and Employees of the United States, Federal Reserve Banks when acting on behalf of the United States or Agencies thereof, and Others Concerned:

Paragraph 1 of Department Circular No. 577 (Accounts and Deposits) dated August 13, 1937, is hereby amended to read as follows:

"1. *General instructions.*—To facilitate the reporting of loss or destruction of, or damage to valuables and submission of proofs of claim for relief, under the provisions of section 3 of the act, in the event of loss or destruction of, or damage to valuables shipped pursuant to the regulations prescribed under section 1 of said act, executive departments, independent establishments, agencies, wholly owned corporations, officers, employees, Federal Reserve banks when acting on behalf of the United States or agencies thereof, and others concerned, hereinafter sometimes referred to as "consignors," should observe strictly the following requirements, except as the Secretary of the Treasury, being satisfied that observance thereof is not necessary to carry out the purposes of the act and of these regulations, may waive or modify any such requirement. Failure on the part of any consignor or agent or employee thereof to comply with these requirements may retard recoveries and may under the circumstances preclude reimbursement from the fund or other relief under the act, and render the consignor responsible for any loss occurring through such negligence."

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Approved:
FRANKLIN D. ROOSEVELT,
The White House.

Exhibit 55

Regulations and instructions governing the issue of duplicates[1] of checks of the United States

[Department Circular No. 327, Revised. Bookkeeping and Warrants]

TREASURY DEPARTMENT,
Washington, D. C., October 16, 1937.

The following regulations and instructions governing the issue of duplicates of checks drawn by officers or agents of the United States are hereby established pursuant to section 3646 of the Revised Statutes of the United States as amended by the act approved July 8, 1937, known as the Government Losses in Shipment Act, and section 3647 of the Revised Statutes of the United States, as amended. The requirements contained herein must be strictly observed except as the Secretary of the Treasury, being satisfied that observance thereof is not necessary to carry out the purposes of the law and these regulations, may waive or modify any such requirement.

GENERAL REGULATIONS

1. *Advice of nonreceipt or loss.*—In the event of the nonreceipt or loss of a check issued by an officer or agent of the United States, the owner, better to protect his interest, should immediately notify the Treasurer of the United States or other drawee, describing the check, stating the name of the officer or agent of the United States by whom the check was drawn, giving, if possible, its date, number, and amount, and requesting that payment be stopped.

[1] The word "duplicate" as used herein means a "substitute, marked 'duplicate' " as provided in sec. 9 of the Government Losses in Shipment Act (Public No. 192, 75th Cong., approved July 8, 1937).

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Upon receipt of such request, if the check is found to be outstanding, a form of affidavit, and in appropriate cases a bond of indemnity (Form No. 2244 or 2244a), will be prepared in the Treasurer's office and transmitted for execution by the claimant. The bond and affidavit, when duly executed according to instructions, must be transmitted to the officer or agent who issued the original check.

2. *Affidavit of nonreceipt or loss.*—An affidavit in substantially the form prescribed, Form 2244, 2244a, 2244b, or 2244c, as the case may be, must be executed by the claimant and submitted to the officer or agent who drew the original check, with a bond of indemnity or application (Form 2244b or 2244c), giving the claimant's name and residence in full, *describing the check, and all endorsements thereon, showing the claimant's interest therein and detailing the circumstances attending its nonreceipt or loss.* The affidavit must be made and signed before a notary public or other officer authorized by law to administer oaths for general purposes, who must certify that he administered the oath. If executed in a foreign country, the affidavit must be made before a notary public or before a diplomatic or consular officer of the United States.

If a corporation or association, etc., is the claimant, an officer thereof must make and sign the affidavit individually, but on behalf of the corporation or association.

If a partnership is the claimant or if the check is owned jointly by two or more persons, all partners or joint owners must execute the affidavit.

3. *Issue of duplicate.*—After the expiration of thirty days from the date of the original check, and before the close of the fiscal year following the fiscal year in which it was issued, the officer or agent will prepare a duplicate, which must be an exact transcript of the original, special care being taken that the number, date, and name of the payee correspond to those of the original. In the case of checks issued on account of public debt obligations and transactions regarding the administration of banking and currency laws, duplicates may be issued without limitation of time. The officer or agent will then, without delay, forward the bond (Form 2244 or 2244a) or application (Form 2244b or 2244c) and the duplicate check to the Secretary of the Treasury (Division of Bookkeeping and Warrants). The bond or application and the information obtained shall be examined by the Division of Bookkeeping and Warrants and, if satisfactory, shall be approved and the duplicate check certified, by direction of the Secretary, by the Chief or the Assistant Chief, Division of Bookkeeping and Warrants. In the event the claimant is someone other than the payee of the original check, he should present clear and satisfactory evidence of his ownership to the Division of Bookkeeping and Warrants. Upon a finding by the Chief or the Assistant Chief of the Division that the claimant is the lawful owner of the original check, a duplicate may be issued to the claimant, payable to such claimant through an endorsement on behalf of the Secretary to that effect.

Certification of approval shall be made in writing on the application or bond as well as on the duplicate check. Any duplicate issued in pursuance of these regulations and instructions, and certified as provided above, may, if properly endorsed, be paid subject to the same rules and regulations as apply to payment of original checks; but no duplicate shall be paid if the original has already been paid.

No bond of indemnity shall be required in any of the following classes of cases except as hereinafter provided:

(*a*) If the Secretary of the Treasury is satisfied that the loss, theft, destruction, mutilation, or defacement, as the case may be, occurred without fault of the owner or holder and while the check was in the custody or control of the United States (not including the Postal Service when acting solely in its capacity as the public carrier of the mails), or of a person thereunto duly authorized as lawful agent of the United States; or while it was in the course of shipment effected pursuant to and in accordance with the regulations issued under the provisions of the Government Losses in Shipment Act;

(*b*) If substantially the entire check is presented and surrendered by the owner or holder and the Secretary of the Treasury is satisfied as to the identity of the check presented and that any missing portions are not sufficient to form the basis of a valid claim against the United States;

(*c*) If the Secretary of the Treasury is satisfied that the original check is not negotiable and cannot be made the basis of a valid claim against the United States;

(*d*) If the amount of the check is less than $50, and the Secretary of the Treasury is satisfied that the giving of a bond of indemnity would be an undue hardship to the owner or holder;

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(*e*) If the owner or holder is a State or political subdivision thereof, a corporation the whole of whose capital is owned by the United States, a foreign government, or a Federal Reserve bank;

Provided, however, That in any of the foregoing classes of cases the Secretary of the Treasury may require a bond of indemnity if he deems it essential to the public interest.

Where the amount of the check is not more than $20, and the original check has not been received by the payee, it will ordinarily be presumed that the giving of a bond of indemnity would be an undue hardship to the owner. In cases falling within the provisions of subsections (*a*), (*b*), (*c*), (*d*), and (*e*) of this section, application for the issuance of a duplicate check without a bond of indemnity shall be made on Form 2244b or 2244c. Additional affidavits and evidence may be required.

4. *In case the officer or agent of the United States is dead or no longer in the service of the United States.*—In case of the loss of a check issued by an officer or agent, other than the Treasurer of the United States or the Secretary of the Treasury, who is dead or no longer in the service of the United States, the affidavit and bond required to be furnished by the owner of said check to an officer or agent in the service of the United States, prior to the issue of a duplicate check, should be forwarded to the Secretary of the Treasury, who will refer them to the General Accounting Office for examination and the statement of an account in favor of the owner of said check, as provided in section 3647 of the Revised Statutes of the United States, as amended, and section 307 of the act of June 10, 1921. Payment will then be made by a check issued pursuant to such statement of account.

5. *Recovery of original.*—In the event of the recovery of the original check, after the issuance of the duplicate, it must be surrendered to the Secretary of the Treasury for cancelation. If the check has been recovered before the issuance of a duplicate, the Treasurer of the United States or other drawee should be immediately notified and removal of the stoppage requested.

6. *Errors, erasures, etc.*—Care should be exercised in the execution of the bond to avoid erasures and corrections. If, however, a correction should be necessary, and it is impracticable to obtain another form, a separate notation should be made on the margin of the bond, setting forth the change or correction, which statement should be signed by principal and sureties. For example: "The change in the date, line 13, to August 18, 1937, (or recite other change) was made with full knowledge and consent of the undersigned ——— ——— (Principal) ——— ——— (Surety) ——— ——— (Surety)."

There shall be no deviation from the printed bond form, except as may be authorized by the Secretary of the Treasury.

7. *Penalty.*—The penalty of the bond should be in multiples of five dollars, and shall be at least equal to the amount of the check, plus 10 percent, but in no case shall the bond be in an amount less than $10.

INSTRUCTIONS FOR EXECUTING BOND OF INDEMNITY

8. *Names and residence.*—The name, including first name, middle initial, if any, and last name of the principal and each surety, together with their addresses, by street, number, city, and State, must be given in the first paragraph of bond. The names and addresses should be printed or typewritten, or otherwise clearly written.

9. *Signature and seal.*—The principal and each surety must sign the bond at the foot thereof, by first name, middle initial, if any, and last name, to correspond with his name as shown in the first paragraph of bond. A corporate principal or surety must affix its corporate seal.

10. *Witnesses.*—The signature of a witness must appear in the appropriate place, with his full address, with a showing as to whose signature he has witnessed. Signatures of corporations may be attested. If the signature of a witness is illegible the name should be indicated by printing or typewriting.

11. *Corporation as principal.*—If the principal is a corporation, the first and second lines of bond must be filled in thus: "(Name of corporation) ——— ———, by ——— ——— (an officer duly authorized)." The bond must be signed: "(Name of corporation) ——— ———, by ——— ——— (name and title of authorized officer)." Seal of the corporation must be affixed to its signature. If the corporation has no impression seal, the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate signature.

The official character and authority of the person or persons executing the bond in the name of the principal shall be certified by the Secretary or other officer

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(who shall be an officer other than the officer executing the bond) on the form at bottom of bond. In lieu of such certificate there may be attached to the bond copies of so much of the records of the principal as will show the official character and authority of the officer signing, duly certified as correct under the corporate seal by the Secretary or other authorized officer as aforesaid. If the corporation has no seal, such records of authority must be sworn to by the certifying officer before a person authorized to administer oaths for general purposes, and such person must affix his seal.

12. *Unincorporated companies, societies, lodges, etc., as principal.*—The instructions pertaining to corporations govern. See paragraph No. 11 of the regulations and instructions.

13. *Partnerships.*—If the principals are partners, their individual names shall appear on lines one and two of bond, followed by the recital that they are all the partners composing a firm, naming it, and all the members of the firm shall sign the bond as individuals. All members of the firm must execute the affidavit.

14. *Assumed business title.*—If the principal is doing business under an assumed business title, his individual name shall appear on line one of the bond, followed by the recital that he is the sole owner of the firm, naming it, and he shall sign the bond as an individual. He must also execute the affidavit as an individual, showing that he is the sole owner of the firm.

15. *Joint ownership.*—If the check is owned jointly by two or more persons, all such joint owners must execute the bond as principal and execute the affidavit.

16. *Sureties.*—The surety on the bond may be a corporation authorized by the Secretary of the Treasury, or two responsible individuals, unless the amount of the original check is less than $50, in which case one responsible surety may be accepted. The sureties, if individuals, must be citizens and residents of the United States, except that sureties on bonds executed in the Canal Zone, the Philippine Islands, Puerto Rico, Hawaii, Alaska, or any possession of the United States need not be citizens of the United States, but if not citizens of the United States they shall be domiciled in the place where the principal resides.

When the principal resides in a foreign country and it is impracticable to obtain citizens and residents of the United States as sureties, or a duly qualified corporate surety, other sureties may be accepted, provided their sufficiency as such is certified by a diplomatic or consular officer of the United States.

A firm, as such, will not be accepted as surety, nor a partner for co-partners.

When approved corporate surety or responsible individual sureties cannot be obtained, the Secretary of the Treasury will give consideration to the acceptance of other security.

17. *Sufficiency of sureties.*—The sufficiency of individual sureties must be certified by one of the following-named officers: An executive officer of an incorporated bank or trust company, or manager of a branch thereof, over his official designation and seal of the bank or trust company; postmaster; judge or clerk of court; collector or deputy collector of internal revenue; collector or deputy collector of customs; United States commissioner; United States district attorney; assistant United States district attorney; United States marshal; notary public; justice of the peace; a commissioned officer of the Army, Navy or Marine Corps, or Coast Guard for sureties in the military, naval, or coast guard service, respectively; an Army reserve officer in command at Civilian Conservation camps for sureties in the Civilian Conservation Corps; or a diplomatic or consular officer of the United States in case of sureties resident in foreign countries. This certificate must be made by a disinterested person.

Affidavits as to the financial qualifications of individual sureties may be required when deemed advisable.

18. This circular supersedes Treasury Department Circular No. 327, dated October 15, 1924, and subsequent amendments thereto, and all previous regulations governing the issuance of duplicate checks of disbursing officers; also Department Circular No. 54 (Treasurer, U. S.), Revised, dated June 28, 1932, governing the issuance of duplicate Treasurer's checks and interest checks. The Secretary of the Treasury may withdraw or amend at any time or from time to time any or all of the foregoing rules and regulations.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ORGANIZATION AND PROCEDURE

Exhibit 56

Department Circular No. 187 [1], *Second Revision, March 24, 1938, prescribing time and leave regulations for the departmental service*

TREASURY DEPARTMENT,
Washington, March 24, 1938.

To the Officers and Employees of the Treasury Department:

ANNUAL LEAVE OF ABSENCE

Executive Order No. 7845, dated March 21, 1938, "Prescribing Regulations Relating to Annual Leave of Government Employees," is hereby promulgated for the information of all concerned:

"By virtue of and pursuant to the authority vested in me by section 7 of the act of March 14, 1936, entitled 'An act to provide for vacations to Government employees and for other purposes' (49 Stat. 1161), I hereby prescribe the following regulations governing the granting of annual leave to civilian officers and employees of the United States, the District of Columbia, and all corporations included within the provisions of section 6 of the said act, except as provided in part III hereof:

"Part I. Definitions

"SEC. 1. As used in these regulations:

"(a) 'Employee' and 'employees' include officer and officers, respectively.

"(b) 'Permanent employees' are those appointed without limitation as to length of service or for definite periods in excess of 6 months.

"(c) 'Temporary employees' are those appointed for definite periods of time not exceeding 6 months.

"(d) 'Emergency employees' are those whose compensation is paid from emergency funds and whose tenure of appointment is limited to the period for which the emergency funds are available.

"(e) 'Indefinite employees' are those appointed for the 'duration of the job' and those who, although paid only when actually employed, are continuously employed or required to be available for duty for a period of not less than 1 month, as distinguished from part-time or intermittent employees.

"(f) 'Accumulated leave' means the unused annual leave not exceeding 60 days which has accrued during years prior to the current year.

"(g) 'Current annual leave' means the leave authorized by statute for the current year.

"(h) 'Current accrued leave' means that part of the current annual leave which bears the same ratio to the current annual leave that the expired part of the current year bears to the full year.

"(i) 'Unaccrued leave' means that part of the current annual leave which bears the same ratio to the current annual leave as the unexpired part of the current year bears to the full year.

"Part II. General provisions

"SEC. 2. Permanent employees who have been employed continuously for 1 year or more and who do not contemplate leaving the service during the current calendar year shall be entitled to current annual leave with pay at any time during such calendar year not in excess of 26 days. In addition to current annual leave such employees may be granted accumulated leave not to exceed 60 days.

"SEC. 3. Leave shall be granted at such time or times as may be deemed to be in the public interest.

"SEC. 4. (a) Unaccrued leave shall be granted only with the express understanding that if such leave is not later earned during the calendar year, deductions will be made for the unearned portion from any salary due the employee, or from any deductions in the retirement fund to the credit of the employee.

"(b) In cases of separations where employees are indebted to the Government for advanced annual leave such indebtedness shall be charged against the employee on the basis of the salary rate obtaining during the period of advanced annual

[1] This circular supersedes all previous circulars regarding time and leave regulations for the departmental service.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

leave and on the basis of 1 day's pay for each day of absence, exclusive of Sundays and holidays. Absences for fractional parts of a day will be charged proportionately. This provision shall not apply in cases of death, retirement for age or disability, reduction of force, or when an employee who is not eligible for retirement is unable to return to duty because of disability, evidence of which shall be supported by an acceptable certificate from a registered practicing physician or other practitioner.

"SEC. 5. Employees, other than temporary, entering the service by original appointment or by reinstatement shall be entitled to annual leave with pay accruing at the rate of 2½ days for each month of service rendered until the completion of 1 year's service. Emergency and indefinite employees shall be entitled to annual leave with pay accruing at the rate of 2½ days per month for each month of service, and may in addition thereto be granted accumulated leave.

"SEC. 6.[1] An employee transferred or reappointed without break in service from one permanent position to another permanent position within the same or a different governmental agency shall at the time of the transfer be credited with such accumulated and current accrued leave as may be due him, or charged with any unaccrued leave which may have been advanced. 'Break in service' means separation from the service for a period of one or more work days.

"SEC. 7. An employee voluntarily separated from the service without prejudice during any calendar year shall be entitled to all of his accumulated leave plus his current accrued leave to and including the date of separation.

"SEC. 8. An employee who is involuntarily separated from the service other than for cause due to his own misconduct shall be entitled to all of his accumulated leave and current accrued leave, and the date of his discharge shall be fixed so as to permit him to take such leave. The date of discharge of an employee separated from the service for cause due to his own misconduct may, within the discretion of the administrative office concerned, be fixed so as to permit the allowance of all or any part of accumulated leave and current accrued leave.

"SEC. 9. Leave without pay shall not be granted until all accumulated leave and current accrued leave allowable under these regulations is exhausted, except that employees injured in line of duty may take leave without pay, if desired, covering their absence due to such injury instead of covering such time by annual leave; and during absence because of such injury and while being paid by the Employees' Compensation Commission, employees shall continue to earn leave, which shall, however, be granted only in the event of their return to actual duty.

"SEC. 10. Annual leave shall accrue to an employee while in a leave-with-pay status. Except as provided in section 9 hereof, annual leave shall not accrue to an employee while in a non-pay status due to leave without pay or furlough when the duration of such non-pay status in any calendar year aggregates 30 days or more: *Provided*, That when the duration of such non-pay status is in excess of 30 days in any calendar year, such excess shall affect the accrual of annual leave only when it aggregates 10 days, and likewise for each aggregate period of 10 days thereafter.

"SEC. 11. Except in the case of temporary employees, Sundays and holidays occurring within a period of annual leave shall not be charged as annual leave: *Provided*, That in the case of employees whose terms or conditions of employment require that they regularly work on a Sunday or a holiday and be off duty on another day of the week in lieu thereof, the Sunday or holiday occurring within a period of annual leave shall be charged as annual leave and the lieu day shall not be so charged. The word 'holidays' as used herein means all days declared or recognized by Federal statute as holidays, all days specifically declared holidays by Executive order, and all days on which the departments and establishments are closed by Executive order, but does not include non-work days established by administrative order, or days on which, by Executive order or administrative order, certain classes of employees are merely excused from work.

"SEC. 12. The minimum charge for annual leave shall be 15 minutes, and additional leave shall be charged in like multiples. Annual leave granted for less than 1 day shall be charged in the ratio that the amount of annual leave granted bears to the number of work hours of the regular work day prevailing in the agency concerned. For the purposes of this section, Saturdays and part holidays shall not be considered regular work days, except as may be required under section 11 hereof.

"SEC. 13. Annual leave shall not be granted with pay at the beginning of a calendar year immediately following a period of absence in a non-pay status in

[1] Amended May 11, 1938; see Executive Order No. 7879, p. 329.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

the preceding year unless and until there is a return to duty, at which time leave may be retroactively granted. Leave without pay under any other circumstances may not later be converted into annual leave.

"SEC. 14. Temporary employees shall be granted 2½ days leave for each full month of service, and Sundays and holidays occurring within a period of annual leave shall be charged as annual leave. After the first month of service such leave may be credited at the beginning of the month in which it accrues.

"SEC. 15. Temporary employees who subsequently receive permanent or probational appointments in the same department without break in service shall be entitled to 2½ days annual leave for each full month of service to the date of permanent appointment and thereafter at the rate of 2½ days per month.

"SEC. 16. Nothing in these regulations shall be construed to prevent the continuance of any leave differential existing prior to January 1, 1936, for the benefit of employees of the Federal Government stationed without the continental limits of the United States. However, any department may, if it so desires, apply these regulations to employees stationed without the continental limits of the United States, subject to the continuance of such leave differential.

"SEC. 17. The annual leave authorized by these regulations shall, except as to temporary employees, be recorded and administered on a calendar year basis.

"SEC. 18. The heads or governing bodies of the various governmental agencies to which this Executive order applies shall be responsible for the proper administration of these regulations in so far as they pertain to the granting of annual leave to employees under their respective jurisdictions; and they may, within the limits authorized by law, issue such regulations as are not inconsistent with these regulations.

"Part III. Employees excepted

"SEC. 19. These regulations shall not apply to:

"(a) Teachers and librarians of the public schools of the District of Columbia.

"(b) Officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama.

"(c) Temporary employees engaged on construction work at hourly rates.

"(d) The Postmaster General and officers and employees in or under the Post Office Department, except those serving in the departmental service and in the Mail Equipment Shops.

"(e) Persons paid security or prevailing wages from funds allocated by the Works Progress Administration on State, municipal, or other public but non-Federal projects, or on a Federal project: *Provided*, That annual leave shall be granted in accordance with these regulations to employees in the central office of the Works Progress Administration in the District of Columbia and at district and local headquarters, and to other employees in administrative or clerical positions who receive other than security or prevailing wages, as prescribed in Executive orders.

"(f) Employees not required to be continuously employed during regular tour of duty, such as (1) per diem or per hour employees engaged in an emergency who may be employed for more than one 7- or 8-hour shift within 24 hours during the emergency; (2) part-time or intermittent employees; (3) persons engaged under contract; (4) employees engaged temporarily for less than a month on a piece-price basis; (5) employees who are paid at hourly rates but who are not engaged on construction work, such as mechanics, skilled laborers, and others engaged in various services on maintenance, repair, clean-up work, etc., where employment is more or less intermittent and not on a regular and continuous basis; and (6) employees paid on a fee basis, such as physicians, surgeons, and other consultants.

"Part IV. Ratification: Revocation: Effective date

"SEC. 20. All temporary regulations issued by the heads of the various departments and independent establishments under authority of Executive Order No. 7321 of March 21, 1936, are hereby ratified. All such temporary regulations and all other regulations relating to the granting of annual leave are hereby revoked in so far as they are inconsistent with these regulations.

"SEC. 21. This order shall be effective as of January 1, 1938, and shall, as of that date, supersede Executive Order No. 7409 of July 9, 1936 (1 F. R. 766), prescribing regulations relating to annual leave of Government employees.

"SEC. 22. This order shall be published in the Federal Register.

"FRANKLIN D. ROOSEVELT."

104825—39——22

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

THE ABOVE EXECUTIVE ORDER NO. 7845 WILL GOVERN THE GRANTING OF ANNUAL LEAVE TO EMPLOYEES OF THE TREASURY DEPARTMENT

Applications for leave for more than 2 days must be submitted in advance on the form prescribed therefor. Applications for 2 days or less need not be made on this form, but the absence must be noted on the Daily List of Absentees.

Employees will be charged with the number of days of leave granted on applications unless request is made in writing for cancelation or modification thereof.

Absence under all classes of leave will be reported annually at the close of each calendar year to the Office of the Secretary, Division of Appointments.

SICK LEAVE OF ABSENCE

Executive Order No. 7846, dated March 21, 1938, "Prescribing Regulations Relating to Sick Leave of Government Employees," is hereby promulgated for the information of all concerned:

"By virtue of and pursuant to the authority vested in me by section 7 of the act of March 14, 1936, entitled 'An act to standardize sick leave and extend it to all civilian employees' (49 Stat. 1162), I hereby prescribe the following regulations governing the granting of sick leave to civilian officers and employees of the United States, the District of Columbia, and all corporations included within the provision of section 6 of the said act, except as provided in part III hereof:

"Part I. Definitions

"SEC. 1. As used in these regulations 'employee' and 'employees' shall include:

"(a) Officer and officers, respectively.

"(b) Permanent employees—those appointed without limitation as to length of service or for definite periods in excess of 6 months.

"(c) Temporary employees—those appointed for definite periods of time not exceeding 6 months.

"(d) Emergency employees—those whose compensation is paid from emergency funds and whose tenure of appointment is limited to the period for which the emergency funds are available.

"(e) Indefinite employees—those appointed for the 'duration of the job' and those who, although paid only when actually employed, are continuously employed or required to be available for duty for a period of not less than 1 month, as distinguished from part-time or intermittent employees.

"Part II. General provisions

"SEC. 2. Sick leave with pay shall be granted to employees when they are incapacitated for the performance of their duties by sickness, injury, or pregnancy and confinement, or when some member of the immediate family of the employee is afflicted with a contagious disease and requires the care and attendance of the employee, or when, through exposure to contagious disease, the presence of the employee at his post of duty would jeopardize the health of others.

"SEC. 3. Except as provided in section 4 hereof, employees shall be entitled to sick leave at the rate of 1¼ days a month, and if such leave is not used it shall accumulate: *Provided,* That the total accumulation shall not exceed 90 days. Sick leave accruing during any month of service shall be available at any time during the month.

"SEC. 4. In cases of serious disability or ailments, and when the exigencies of the situation so require, sick leave may be advanced not in excess of 30 days in addition to the unused sick leave that has accumulated to the credit of the employee: *Provided,* That temporary employees shall not be entitled to an advance of sick leave: *And provided further,* That no advances of sick leave shall be made to any employee unless the absence from duty on account of illness is for a period, or periods, of not less than 5 consecutive days, except that advanced leave in a less amount may be granted to supplement accrued leave to cover a continuous absence of 5 days or more; that every case of advanced leave shall be supported by a certificate of a registered practicing physician or other practitioner; that the total of such advances shall not at any time exceed 30 days in excess of the accumulated sick leave; and that such advances shall be charged against sick leave subsequently accumulating.

"SEC. 5. When an employee applies for sick leave in excess of the amount accumulated to his credit and the circumstances do not justify such an advance, the excess leave applied for, if granted and used, shall be charged against any

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

unused annual leave to which the employee is entitled, or, if there is no unused annual leave, the excess shall be charged as leave without pay, and such excess leave, however charged, shall not thereafter be converted into either sick or annual leave subsequently accumulating.

"SEC. 6. Sick leave shall not be advanced in an amount that would exceed the total that would accumulate during the period from the date of the advance to the termination of a limited appointment (not temporary in character) or one expiring on a specified date.

"SEC. 7. Advanced sick leave may be granted irrespective of whether the employee has to his credit unused annual leave.

"SEC. 8. Sick leave shall not be granted for slight illness or indisposition not incapacitating the employee for the performance of his regular duties, or for absence for the purpose of being treated professionally by a dentist or oculist in his office; but sick leave may be granted for detention at home or in a hospital by illness or disability due to causes as to which a dentist or oculist is qualified to certify.

"SEC. 9.[1] An employee transferred or reappointed without break in service from one permanent position to another permanent position within the same or a different governmental agency shall be credited with accumulated sick leave and charged with sick leave previously advanced in excess of that accumulated at the time of transfer. 'Break in service' means separation from the service for a period of one or more work days.

"SEC. 10. Sick leave shall accrue to an employee while in a leave-with-pay status. Sick leave shall not accumulate to an employee while in a non-pay status due to leave without pay or furlough when the duration of such non-pay status in any calendar year aggregates 30 days or more: *Provided*, That when the duration of such non-pay status is in excess of 30 days in any calendar year, such excess shall affect the accumulation of sick leave only when it aggregates 10 days, and likewise for each aggregate period of 10 days thereafter. Sick leave shall not accrue during any period of suspension for disciplinary reasons.

"SEC. 11. In the case of voluntary separation or removal for cause of an employee to whom sick leave has been advanced in an amount in excess of that accumulated, the employee shall refund the amount paid him for the period of such excess, or deduction therefor shall be made from any salary due him or from any deductions in the retirement fund to his credit. Such indebtedness shall be charged against the employee on the basis of the salary rate obtaining during the period of advanced sick leave, and on the basis of 1 day's pay for each day of absence, inclusive of Sundays and holidays. Absences for fractional parts of a day will be charged proportionately. Refund shall not be required in cases of death, retirement for age or disability, reduction of force, or when an employee who is not eligible for retirement is unable to return to duty because of disability, which shall be evidenced by an acceptable certificate from a registered practicing physician or other practitioner.

"SEC. 12. Sundays, holidays, and non-work days within a period of sick leave shall be charged as sick leave, except when immediately preceding or following a period of sick leave, if the employee shall have been in a pay status immediately prior to or following such Sundays, holidays, or non-work days.

"SEC. 13. The minimum charge for absence on account of sickness, except on Saturdays or on other days on which 4 hours constitute a full work day, shall be one-half day; and additional fractions authorized on the same day shall be charged in multiples of one-half hour. On Saturdays, or other days on which 4 hours constitute a full work day, absences on account of illness shall be charged as follows: For 2 hours or less—one-half day; for more than 2 hours and not more than 3 hours—three-fourths of a day; for more than 3 hours—a full day.

"SEC. 14. Notification of absence on account of sickness shall be given as soon as possible on the first day of absence. If such notification is not made in accordance with this regulation, such absence may be charged to annual leave or leave without pay. Application for sick leave shall be filed within 2 days after return to duty.

"SEC. 15. Application for sick leave for a period in excess of 3 days shall be supported by a certificate of a registered practicing physician or other practitioner, except that in remote localities where such certificate cannot reasonably be obtained, the applicant's signed statement as to the nature of the illness and the reason why a certificate is not furnished, may be accepted. For periods of 3 days

[1] Amended May 11, 1938; see Executive Order No. 7880, p. 329.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

or less, the total of which shall not exceed 12 days in any 1 calendar year, the applicant's signed statement on a prescribed form may be accepted.

"SEC. 16. When sickness continuing for more than 5 days occurs within a period of annual leave, the period of illness may, upon presentation of the certificate of a registered practicing physician or other practitioner, be charged as sick leave, and the charge against annual leave reduced accordingly. No such charge against sick leave shall be made for illness which does not last more than 5 days. Application for such substitution of sick leave for annual leave shall be made within 2 days after the expiration of the annual-leave period: *Provided*, That this provision may be waived by the head of the department or agency concerned.

"SEC. 17. Sick leave may not be granted for a period immediately following a period of absence in a non-pay status, unless and until there is a return to actual duty, nor may such leave without pay be converted into sick leave.

"SEC. 18. Sick leave accumulated during temporary appointment shall be credited to an employee who receives a permanent appointment in the same governmental agency without break in service but shall not be transferable elsewhere under any circumstances.

"SEC. 19. In the case of an employee who was not entitled to sick leave under prior law, but who is now entitled thereto, sick leave as accumulated may be substituted for leave without pay or annual leave taken because of illness between January 1 and March 14, 1936.

"SEC. 20. Sick leave taken in excess of 1¼ days a month during the period between January 1 and March 14, 1936, shall be charged against sick leave subsequently accumulating.

"SEC. 21. Nothing in these regulations shall be construed to prevent the continuance of any sick leave differential existing prior to January 1, 1936, for the benefit of employees of the Federal Government stationed without the continental limits of the United States. However, any department may, if it so desires, apply these regulations to employees stationed without the continental limits of the United States, subject to the continuance of such leave differential.

"SEC. 22. The heads or governing bodies of the various governmental agencies to which this order applies shall be responsible for the proper administration of these regulations in so far as they pertain to the granting of sick leave to employees under their respective jurisdictions; and they may, within the limits authorized by law, issue such regulations as are not inconsistent with these regulations.

"*Part III. Employees excepted*

"SEC. 23. These regulations shall not apply to:

"(a) Teachers and librarians of the public schools of the District of Columbia.

"(b) Officers and members of the police and fire departments of the District of Columbia, other than civilian personnel.

"(c) Officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama.

"(d) Temporary employees engaged on construction work at hourly rates.

"(e) The Postmaster General and officers and employees in or under the Post Office Department except those serving in the departmental service and in the Mail Equipment Shops.

"(f) Persons paid security or prevailing wages from funds allotted by the Works Progress Administration on a State, municipal, or other public but non-Federal project or on a Federal project: *Provided*, That sick leave shall be granted in accordance with these regulations to employees in the central office of the Works Progress Administration in the District of Columbia and at district and local headquarters, and to other employees in administrative or clerical positions who receive other than security or prevailing wages as prescribed in Executive orders.

"(g) Employees not required to be continuously employed during regular tour of duty, such as (1) per diem or per hour employees engaged in an emergency who may be employed for more than one 7- or 8-hour shift within 24 hours during the emergency; (2) part-time or intermittent employees; (3) persons engaged under contract; (4) employees engaged temporarily for less than a month on a piece-price basis; (5) employees who are paid at hourly rates but who are not engaged on construction work, such as mechanics, skilled laborers, and others engaged in many services on maintenance, repair, clean-up work, and the like, where employment is more or less intermittent and not on a regular or continuous basis; and (6) employees paid on a fee basis, such as physicians, surgeons, and other consultants.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

"Part IV. Ratification: Revocation: Effective date

"SEC. 24. All temporary regulations issued by the heads of the various departments and independent establishments under authority of Executive Order No. 7321 of March 21, 1936, are hereby ratified. All such temporary regulations and all other regulations relating to the granting of sick leave are hereby revoked in so far as they are inconsistent with these regulations.

"SEC. 25. This order shall be effective as of January 1, 1938, and shall, as of that date, supersede Executive Order No. 7410 of July 9, 1936 (1 F. R. 767 (DI)), prescribing regulations relating to sick leave of Government employees.

"SEC. 26. This order shall be published in the Federal Register.

"FRANKLIN D. ROOSEVELT."

THE ABOVE EXECUTIVE ORDER NO. 7846 WILL GOVERN THE GRANTING OF SICK LEAVE TO EMPLOYEES OF THE TREASURY DEPARTMENT

Referring to part II, section 1, of Executive Order No. 7846 above quoted, cases of personal illness or exposure to contagious diseases must be reported at once to the office to which the employee is attached, which office, in turn, should immediately report all cases of contagious diseases to the chief clerk of the Department, who will cause an investigation to be made. Proof of negligence or of willful misstatement in reporting such exposure to contagion will be sufficient cause for discipline.

The Department will hold employees strictly accountable for the truth of statements appearing in applications for sick leave, and will investigate circumstances coming to its attention which may appear to be inconsistent with such statements. Proof of any willful misstatement or of any attempt of an employee to mislead or deceive official superiors, directly or indirectly, in regard to an application for leave on account of sickness, will be sufficient cause for discipline.

The chief clerk of the Department will, upon request from an administrative officer, arrange for the detail of a proper officer to investigate and report facts in any case.

The administrative office shall forward all requests for advanced sick leave, accompanied by the employee's statement showing whether or not he was continuously confined to home or hospital and under the immediate care of a registered practicing physician or other practitioner, to the Secretary's Office (Division of Appointments) for approval.

All requests for accrued and advanced sick leave on account of enforced absence, due to contagion, must be supported by a certificate from the local health officer, except that, in a community where there is no health officer, a statement from the attending physician will suffice.

Referring to part II, section 14, of Executive Order No. 7845 above quoted, requiring the filing of application for sick leave within 2 days after return to duty, it is hereby directed, where an employee is unable to obtain a certificate from a registered practicing physician or other practitioner within the 2 days prescribed, that the application be filed by the employee without the certificate and the certificate be obtained and attached at a later date.

The following Executive order, issued by the President under date of July 17, 1930, is made a part of these regulations:

"SPECIAL LEAVES OF ABSENCE TO BE GIVEN DISABLED VETERANS IN NEED OF MEDICAL TREATMENT

"With respect to medical treatment of disabled veterans who are employed in the executive civil service of the United States, it is hereby ordered that, upon the presentation of an official statement from duly constituted medical authority that medical treatment is required, such annual or sick leave as may be permitted by law and such leave without pay as may be necessary shall be granted by the proper supervisory officer to a disabled veteran in order that the veteran may receive such treatment, all without penalty to his efficiency rating.

"The granting of such leave is contingent upon the veteran's giving prior notice of definite days and hours of absence required for medical treatment in order that arrangements may be made for carrying on the work during his absence."

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

LEAVE WITHOUT PAY

Applications for leave without pay for 1 day or more must be submitted on the form provided therefor and forwarded to the Secretary, Division of Appointments, together with the recommendation of the head of the bureau, office, or division, or chief of division, Secretary's Office, in which the applicant is employed. Applications for less than 1 day need not be submitted on this form but the absence must be noted on the Daily List of Absentees. In case an employee is absent beyond the period fixed in these regulations for sick and annual leave, with no probability of an immediate return to duty, the administrative officer having jurisdiction will report the case to the Secretary, Division of Appointments, giving a full statement of the facts, with such recommendation as may be deemed proper. Leave of absence without pay should be applied for in periods not exceeding 60 days at any one time, and such leave should be applied for in advance.

If leave without pay on account of sickness is applied for, a certificate of the attending physician should be attached, otherwise a statement to that effect will be accepted. If leave without pay is applied for, for any reasons other than given above, a statement must be attached, showing the necessity for such leave.

Employees on leave of absence without pay all day on Saturday will be charged a full day. Any absence on leave without pay before 1 o'clock on a Saturday will be computed on a 4-hour-day basis, each hour being counted one-fourth of a day. Where the employee reports for duty at the opening hour but leaves before the closing hour, he should be given no benefit of the shorter day, pay for the portion of the day worked to be computed on the basis of a regular working day. For example, where the employee is absent the last hour he will be paid for three-sevenths or three-eighths of a day, as the case may be, and will be charged and deductions made for four-sevenths or five-eighths of a day. (See Comp. Gen. Dec., vol. 11, p. 119.) When an employee is granted leave without pay for a Saturday or a day preceding a holiday and returns to duty at the opening hour on the following Monday or day following the holiday, he will be in a non-pay status for 1 day; but if he is absent without previously applying for the leave without pay, he will be in a non-pay status for 2 days.

MILITARY LEAVE

Applications for military leave of not to exceed 15 days for all military organizations (except the National Guard), in any 1 year must be made in advance and be subsequently supported by a certificate of a competent officer of the organization authorized by law to the effect that the time served was in accordance with general orders, and state the provision of law under which such time was served. Members of the National Guard of the District of Columbia may be granted military leave (1) on all days of service which they may be ordered to perform by the commanding general; and (2) on all days during which they shall be engaged in field or coast-defense training ordered or authorized under the provisions of the act of June 3, 1916.

COURT LEAVE

Employees who, in obedience to a subpena or direction by proper authority, appear as witnesses for the Government in court proceedings, are entitled, under section 850, Revised Statutes, to their regular compensation while absent from duty and to any actual and necessary expenses, but are not entitled to any witness fees or mileage. Where an employee appears as a witness for a suitor other than the United States the provisions of section 850, Revised Statutes, are not applicable and the employee is not entitled to his regular compensation while absent from his place of duty unless entitled to and granted annual leave for that purpose. (See 4 Comp. Gen. 91.)

ABSENCE WITHOUT AUTHORIZED LEAVE

An employee detained by causes beyond control, and unable to report for duty at the opening hour, must notify the office in which employed to that effect not later than 11 a. m., if practicable, on the first day of absence. Absence from duty for any cause, without prior permission, must be satisfactorily explained, and if not satisfactorily explained, will be cause for deduction in salary or other disciplinary measures.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

HOURS OF SERVICE

The act of March 3, 1931 (46 Stat. 1482), provides for Saturday half holiday for certain Government employees. The statute grants part of a holiday and not additional leave of absence. As to employees whose regular work day is 8 hours the statute grants a half holiday, and as to employees whose regular work day is 7 hours the statute grants a part holiday of 3 hours. Where employees for special public reasons are required to work more than 4 hours on any Saturday, the act provides for "an equal shortening of the work on some other day." In such case the employee's regular working time on some other day will be reduced, without loss of pay or leave time, by a period equal to the time such employee was required to work in excess of 4 hours on the Saturday, except that such reduced working time shall not be for a period greater than the difference between 4 hours and the number of hours that constitute his regular work day. The Saturday overtime must be taken by the shortening of some day at the earliest time the public business will permit. Saturday overtime may not be used for the purpose of accumulating annual leave.

ADMINISTRATION

Employees must be at their desks or posts of duty at the opening hour, and continue on duty until the closing hour. A recess of half an hour for luncheon will be allowed—from 12:30 to 1 p. m.—unless other hours have been authorized: *Provided, however,* That administrative officers may vary the luncheon period of certain employees where the public business requires it.

The beginning of the luncheon period and the close of the work day will, except in cases governed by special luncheon or closing hours, be indicated by signal. Until such signal is sounded, employees will remain at their desks or posts of duty. Congregating at the exits of the building or in the corridors prior to the sounding of the dismissal signal is strictly prohibited.

Clerks and employees will not be permitted to visit one another or to receive visits during office hours except on official business, and then only with the knowledge and concurrence of their immediate official superiors. Frequenting or loitering in the corridors of the building will not be permitted.

The practice of eating luncheon during the working period and in addition thereto taking a half hour for other purposes, the reading of newspapers or other unofficial matter, conducting private correspondence, attending to business matters purely personal, using official time for private conversation and the discussion of unofficial subjects, loud and unnecessary talking and boisterous conduct of any nature, and smoking in the file rooms of the Department are positively prohibited. Chiefs of divisions, sections, or rooms will be held strictly responsible for the enforcement of this regulation, and violations thereof will be reported to the chief clerk of the Department through the proper official channels.

ARRIVAL AND DEPARTURE DURING OFFICE HOURS

Any employee leaving the building where employed during office hours must be provided with a pass on the prescribed form, completely filled out before being signed by the officer having authority to excuse. The pass will cover absence as indicated by the cross in the space provided therefor. It will be surrendered to the guard, who will note thereon the time of departure and retain it. When the employee returns, the time of entering the building will also be noted on the pass by the guard. This pass will not be required of employees leaving the building on official business who are provided with annual passes.

OFFICIAL PASSES

Annual passes may be issued by the chief clerk of the Department upon the recommendation of the administrative officers in charge, as follows:

(1) Unlimited passes to those employees who are required to enter and leave the Treasury Building or any of its annexes on public business at all hours on week days, as well as to enter and leave the Treasury Building on Sundays and holidays.

(2) Limited passes to those employees who are habitually required during office hours to enter or leave the Treasury Building or any of its annexes on public business.

(3) Luncheon passes to those employees who are habitually required to take their luncheon period at some time other than the regular luncheon half hour.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

The limited and unlimited passes are to be used solely on account of official business and are not to be used in cases of late arrival of the holder in the morning or at the luncheon hour, nor when excused. Luncheon passes are to be used solely when leaving and reentering the building in connection with lunch. The passes should be countersigned by heads of bureaus, offices, divisions, or chiefs of divisions, Secretary's Office, who will be held to strict accountability for their proper use.

TARDINESS

An employee arriving after the opening hour and before the authorized luncheon period will be considered tardy unless when reporting he presents to the guard a written excuse (Form 2158) issued the day previous, signed by an authorized officer, or unless, where unavoidably detained by unforeseen circumstances, he advises his office of such fact and is excused. Tardy employees will register their names and the bureau, office, division, or division of Secretary's Office, in which employed, on the form provided by the guard, and then report the fact of their late arrival to the time clerks of their respective offices. The guard will in each case enter the time of arrival on the slip.

Heads of bureaus, offices, or divisions, and chiefs of divisions, Secretary's Office, will maintain daily tardy records in their offices and report monthly to the chief clerk of the Department the names of employees who have been tardy 10 times during the year. The chief clerk will see that these employees are officially reprimanded and warned to improve their records. All subsequent cases of tardiness in excess of 10 times during the year will also be made on the monthly report in order that disciplinary measures may be taken, the chief clerk to submit all such cases to the Secretary together with his recommendation as to appropriate action.

An employee leaving during the luncheon period and not returning until after 1 p. m., will fill out and sign the form provided by the guard, who will enter the time of return thereon, unless the employee has previously filed a pass authorizing absence from the building after 1 p. m., in which case the time of return will be entered thereon by the guard. Employees not regularly excused, who are late in reporting at the close of the luncheon period, must report that fact to their respective time clerks.

The forms above referred to which are collected by guards will be distributed to the several time clerks before 10 a. m., of the following day for check against the daily time reports of their respective bureaus, offices, and divisions.

So much of these regulations as relates to arrival and departure during office hours applies only to employees in buildings where guard forces are maintained. In buildings without guards, employees who are necessarily detained at the regular luncheon period will be excused for luncheon by the persons having authority to excuse.

Heads and deputy heads of bureaus, offices, and divisions, and chiefs and assistant chiefs of divisions in the Secretary's Office, are not required to observe the luncheon period, nor are they required to use passes when departing from or entering the building. The chief clerk of the Department will supply a list of the names of such officials for the information of the guards on duty at the several entrances.

GENERAL PROVISIONS

These regulations apply to all branches of the Treasury Department in Washington and to all employees thereof, except Presidential officers, and commissioned officers of the Coast Guard and Public Health Service.

Annual leave of absence or leave without pay for less than 1 day of employees who are required by departmental regulations to work 8 hours per day will be charged at the rate of one-eighth of a day for each hour of absence; of employees who are required to work 7 hours per day, at the rate of one-seventh of a day for each hour of absence. On Saturdays the computation will be on the basis of a 4-hour day.

Willful neglect on the part of any official or employee in charge of a daily time sheet or record to report the absence of any employee will be considered sufficient grounds for discipline.

Heads of bureaus, offices, or divisions, and chiefs of divisions, Secretary's Office, will be held to strict official responsibility for the enforcement of these regulations.

H. MORGENTHAU, JR.,
Secretary of the Treasury.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 57

Department Circular No. 202,[1] Second Revision, March 25, 1938, prescribing time and leave regulations for the field forces

TREASURY DEPARTMENT,
Washington, March 25, 1938.

To the Officers and Employees of the Treasury Department Field Forces:

ANNUAL LEAVE OF ABSENCE

Executive Order No. 7845, dated March 21, 1938, "Prescribing Regulations Relating to Annual Leave of Government Employees", is hereby promulgated for the information of all concerned:

[Executive Order No. 7845 omitted here, see p. 315.]

THE ABOVE EXECUTIVE ORDER NO. 7845 WILL GOVERN THE GRANTING OF ANNUAL LEAVE TO EMPLOYEES OF THE TREASURY DEPARTMENT IN THE FIELD

The local field officer directly responsible to the head of his service in Washington is authorized to grant annual leave, in accordance with these regulations.

Leave of absence for less than 1 day of employees who are required by law or regulations to work 7 or 8 hours per day will be computed on the basis of a 7- or 8-hour day, except Saturdays. Employees taking leave on Saturdays will be charged with the time actually taken, but not to exceed 4 hours.

Permanent employees stationed in Hawaii, Puerto Rico, Alaska, the Virgin Islands, the Philippine Islands, the Canal Zone, or abroad in countries not contiguous to the continental United States, will be allowed 30 days annual leave, exclusive of Sundays and holidays. Such employees who are in the service at the beginning of the year and who have served continuously 1 year or more in the Treasury Department and are not leaving the service, may be granted leave at any time during a calendar year not to exceed 30 days, plus such unused leave as may have been accumulated from previous years, such leave to be allowed at the discretion of the head of the local field office when the public business will permit. Probational employees in the places named, in the service on January 1, who have served less than 6 months, and those entering the service after January 1, may be granted leave at the rate of 2½ days per month, as earned, for each month of service to the end of the calendar year. The leave of employees in the places named who have been accustomed to living on the mainland of the United States may be cumulative for a period not exceeding 3 years, but in no case shall leave in excess of 90 days be granted in any 1 calendar year.

No leave will be charged against a permanent employee who is granted leave under the provisions of the above paragraph who is stationed in Hawaii, Puerto Rico, Alaska, the Virgin Islands, the Philippine Islands, the Canal Zone, or abroad in countries not contiguous to the continental United States, who has been accustomed to living on the mainland of the United States, for the time necessarily consumed in travel from the employee's station direct to the mainland of the United States and return to his station.

Applications for leave for more than 2 days must be submitted in advance on department stock Form 2217. Applications for 2 days or less need not be made on this form, but the absence must be noted on the Daily List of Absentees, department stock Form 2242.

Employees will be charged with the number of days of leave granted on applications, unless request is made in writing for cancelation or modification thereof.

These regulations apply to all branches of the field service of the Treasury Department and to all employees thereof except presidential appointees, commissioned officers and enlisted men of the Coast Guard, and commissioned officers of the Public Health Service.

While in most instances local field officers are given authority, under these regulations, to grant leave without referring the case to the Department, they will be held strictly responsible that such absence, so far as possible, shall be without additional expense to the Government. Whenever, in the discretion of the head of the service in Washington, it is necessary to assign a temporary employee to duty in order to grant sick and annual leave with pay to a permanent or probational employee, additional expense will be incurred with the under-

[1] This circular supersedes all circulars regarding time and leave regulations for the field service.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

standing that not more than the amount of annual and sick leave authorized under these regulations shall be granted under this provision.

Willful neglect on the part of an official or employee in charge of a daily time sheet or record to report the absence of any employee will be considered sufficient grounds for discipline.

Absence under all classes of leave will be reported on the first working day of each month to the head of the service in Washington on department stock Form 2243, except that in the Customs Service such reports shall be rendered annually. A record of all classes of leave will be kept by each local field officer for this purpose on department stock Form 2152. The total leave granted in each calendar year should be noted on department stock Form 2240, which shall be the permanent record. Thereafter the yearly record on department stock Form 2152 may be disposed of.

Only such forms as are now provided by Department regulations, or that may hereafter be authorized by the Secretary, will be used for time and leave records. The present department stock forms which may be used are as follows: 2242, Daily List of Absentees, to be used in reporting absentees to the local field officer, noting thereon under remarks the character of leave or the cause of tardiness; 2217, Application for Leave, to be used in requesting leave of whatever character for 1 day or more; 2152, Record of Absence During the Year, to be used as the record of leave in the office of the local field officer for the year; 2240, Leave Record During Service, to be used for recording yearly leave record; 2243, Monthly Report of Absence, to be used for reporting monthly and annual leave of all employees to the Department; 2243–A (continuation sheet); 2243–B, half-length form for offices having less than 12 employees.

SICK LEAVE OF ABSENCE

Executive Order No. 7846, dated March 21, 1938, "Prescribing Regulations Relating to Sick Leave of Government Employees," is hereby promulgated for the information of all concerned:

[Executive Order No. 7846 omitted here, see p. 318.]

THE ABOVE EXECUTIVE ORDER NO. 7846 WILL GOVERN THE GRANTING OF SICK LEAVE TO EMPLOYEES OF THE TREASURY DEPARTMENT IN THE FIELD

The local field officer directly responsible to the head of his service in Washington is authorized to grant sick leave, in accordance with these regulations.

Referring to part II, section 2, of Executive Order No. 7846, above quoted, cases of personal illness or exposure to contagious disease must be reported at once to the office to which the employee is attached, which office in turn should immediately report all cases of contagious disease to the officer in charge, who will cause an investigation to be made of the circumstances. In cases of exposure to contagious disease such officer and employee shall be guided by local health laws and regulations. Proof of negligence in reporting or willful misstatement in connection with exposure to contagion will be sufficient cause for discipline.

The officer in charge will detail an officer or employee to investigate and report the facts in any case of absence without permission or in questionable cases of illness.

Local field officers will hold employees strictly accountable for the truth of statements appearing in applications for sick leave, and will investigate circumstances coming to their attention which may appear to be inconsistent with such statements. Proof of any willful misstatement, or of any attempt of an employee to mislead or deceive official superiors, directly or indirectly, in regard to an application for leave on account of sickness, will be sufficient cause for discipline.

Requests for advanced sick leave must be accompanied by the employee's statement showing whether or not he was continuously confined to home or hospital and under the immediate care of a registered practicing physician or other practitioner.

Referring to part II, section 14, of Executive Order No. 7846, above quoted, requiring the filing of application for sick leave within 2 days after return to duty, it is hereby directed, where an employee is unable to obtain a certificate from a registered practicing physician or other practitioner within the 2 days prescribed, that the application be filed by the employee without the certificate and the certificate be obtained and attached at a later date.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

SPECIAL LEAVES OF ABSENCE TO BE GIVEN DISABLED VETERANS IN NEED OF MEDICAL TREATMENT

The following Executive Order issued by the President under date of July 17, 1930, is made a part of these regulations:

[Executive order omitted here, see p. 321.]

LEAVE WITHOUT PAY

Applications for leave without pay for 1 day or more must be submitted on stock Form 2217 to the head of the service in Washington who is authorized to grant the same. Applications for less than 1 day need not be submitted on this form but the absence must be noted on the daily report, stock Form 2242, to the head field officer. In case an employee is absent beyond the period fixed in these regulations for sick and annual leave, with no probability of an immediate return to duty, the head field officer having jurisdiction will report the case to the head of the service in Washington, giving a full statement of the facts, with such recommendation as may be deemed proper. Leave of absence without pay should be applied for in periods not exceeding 60 days at any one time, and such leave should be applied for in advance.

If leave without pay on account of sickness is applied for, a certificate of the attending physician should be attached. If no physician was in attendance, the reason therefor must be given. If leave without pay is applied for, for any reason other than sickness, a statement must be attached, showing the necessity for such leave.

When an employee is granted leave without pay for a Saturday or a day preceding a holiday and returns to duty at the opening hour on the following Monday or day following the holiday, he will be in a non-pay status for 1 day; but if he is absent without previously applying for the leave without pay, he will be in a non-pay status for 2 days. Employees on leave of absence without pay all day on Saturday will be charged a full day. Leave without pay for fractions of a day on Saturday will be charged as follows: Where the employee reports for duty after the opening hour and remains until the closing hour, time will be charged and deductions made on the basis of a 4-hour day, each hour being counted one-fourth of a day. Where the employee reports for duty at the opening hour, but leaves before the closing hour, he should be given no benefit of the shorter day, pay for the portion of the day worked to be computed on the basis of a regular working day. That is, where the employee is absent the last hour he will be paid for three-sevenths or three-eighths of a day, as the case may be, and will be charged and deductions made for four-sevenths or five-eighths of a day (11 Comp. Gen. 119).

MILITARY LEAVE

Members of the National Guard may be granted military leave on all days in which they may be engaged in field or coast defense training, ordered or authorized under the act of June 3, 1916 (39 Stat. 203). Members of the Naval Reserve may be granted military leave on all days during which they are employed on training duty for periods not to exceed 15 days in any one calendar year (act of February 28, 1925, 43 Stat. 1089). Members of the Naval Militia may be granted military leave whenever they attend drills, cruises, or other ordered duty of the Naval Militia (act of August 29, 1916, 39 Stat. 594). Members of the Officers' Reserve Corps may be granted military leave on all days during which they shall be ordered to duty with troops or at field exercises, or for instruction, for periods not to exceed 15 days in any one calendar year (Army Appropriation Act of May 12, 1917, 40 Stat. 72). Members of the National Guard of the District of Columbia may be granted military leave whenever they may be called upon to perform service by the commanding general as authorized by section 49 of the act of March 1, 1889 (25 Stat. 779), as amended by the act of February 18, 1909 (35 Stat. 634). Applications for such leave, which shall be in addition to the annual leave, must be made in advance and be subsequently supported by the certificate of a competent officer of the organization of which the employee is a member. Temporary employees will not be granted military leave of absence.

COURT LEAVE

Employees who, in obedience to a subpena or direction by proper authority, appear as witnesses for the Government in court proceedings, are entitled, under section 850, Revised Statutes, to their regular compensation while absent from

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

duty and to any actual and necessary expenses, but are not entitled to any witness fees or mileage. Where an employee appears as a witness for a suitor other than the United States the provisions of section 850, Revised Statutes, are not applicable and the employee is not entitled to his regular compensation while absent from his place of duty unless entitled to and granted annual leave for that purpose (4 Comp. Gen. 91).

ABSENCE WITHOUT AUTHORIZED LEAVE

An employee detained by causes beyond control, and unable to report for duty at the prescribed hour of reporting, must notify the office in which employed to that effect within 2 hours, if practicable, of such prescribed hour, on the first day of absence. Absence from duty for any cause without prior permission must be satisfactorily explained, and if not satisfactorily explained will be cause for deduction in salary or other disciplinary measures.

HOURS OF SERVICE

The act of March 3, 1931 (46 Stat. 1482), provides for Saturday half holiday for certain Government employees. The statute grants part of a holiday and not additional leave of absence. As to employees whose regular work day is 8 hours, the statute grants a half holiday, and as to employees whose regular work day is 7 hours, the statute grants a part holiday of 3 hours. Where employees for special public reasons are required to work more than 4 hours on any Saturday, the act provides for "an equal shortening of the work on some other day." In such case the employee's regular working time on some other day will be reduced, without loss of pay or leave time, by a period equal to the time such employee was required to work in excess of 4 hours on the Saturday, except that such reduced working time shall not be for a period greater than the difference between 4 hours and the number of hours that constitute his regular work day. The Saturday overtime must be taken by the shortening of some day at the earliest time the public business will permit. Saturday overtime may not be used for the purpose of accumulating annual leave.

ADMINISTRATION

Employees must be at their desks or posts of duty at the opening hour, and continue on duty until the closing hour. A recess of half an hour for luncheon will be allowed—from 12:30 to 1 p. m.—unless other hours have been authorized: *Provided, however,* That local field officers may vary the luncheon period of certain employees where the public business requires it.

The time clerk shall report to the local field officer each day the names of all employees who were tardy that day, stating in each case the time of reporting for duty and the reason assigned for tardiness. An accurate check of an employee's tardiness should be kept and filed with that employee's record for consideration in connection with recommendation for promotion or demotion.

The practice of eating luncheon during the working period and in addition thereto taking a half hour for other purposes, the reading of newspapers or other unofficial matter, conducting private correspondence, attending to business matters purely personal, using official time for private conversation and the discussion of unofficial subjects, loud and unnecessary talking and boisterous conduct of any nature, are positively prohibited. Officers in charge will be held strictly responsible for the enforcement of this regulation.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Exhibit 58

Amendments, May 11, 1938, to Department Circular No. 187, Second Revision, and Department Circular No. 202, Second Revision

TREASURY DEPARTMENT,
Washington, May 11, 1938.

Supplementing and modifying Department Circular No. 187, Second Revision, dated March 24, 1938; and Department Circular No. 202, Second Revision, dated March 25, 1938, the following Executive orders, dated May 9, 1938, are hereby promulgated for the information of all concerned:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

EXECUTIVE ORDER (NO. 7879)

"Amending section 6 of Executive Order No. 7845 of March 21, 1938, prescribing regulations relating to annual leave of Government employees

"By virtue of and pursuant to the authority vested in me by section 7 of the act of March 14, 1936, entitled 'An act to provide for vacations to Government employees and for other purposes' (49 Stat. 1161), it is ordered that section 6 of Executive Order No. 7845,[1] dated March 21, 1938, prescribing regulations relating to annual leave of Government employees, be, and it is hereby, amended to read as follows:

" 'SEC. 6. An employee transferred or reappointed without break in service from one permanent, emergency, or indefinite position to another permanent, emergency, or indefinite position within the same or a different governmental agency shall at the time of the transfer or reappointment be credited with such accumulated and current accrued leave as may be due him, or charged with any unaccrued leave which may have been advanced. "Break in service" means separation from the service for a period of 1 or more work days.'

"This order shall be effective as of January 1, 1938, and shall be published in the Federal Register.

"FRANKLIN D. ROOSEVELT."

EXECUTIVE ORDER (NO. 7880)

"Amending section 9 of Executive Order No. 7846 of March 21, 1938, prescribing regulations relating to sick leave of Government employees

"By virtue of and pursuant to the authority vested in me by section 7 of the act of March 14, 1936, entitled 'An act to standardize sick leave and extend it to all civilian employees' (49 Stat. 1162), it is ordered that section 9 of Executive Order No. 7846,[2] dated March 21, 1938, prescribing regulations relating to sick leave of Government employees, be, and it is hereby, amended to read as follows:

" 'SEC. 9. An employee transferred or reappointed without break in service from one permanent, emergency, or indefinite position to another permanent, emergency, or indefinite position within the same or a different governmental agency shall be credited with accumulated sick leave and charged with sick leave previously advanced in excess of that accumulated at the time of transfer or reappointment. "Break in service" means separation from the service for a period of 1 or more work days.'

"This order shall be effective as of January 1, 1938, and shall be published in the Federal Register.

"FRANKLIN D. ROOSEVELT."

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

Exhibit 59

Treasury Department Order No. 18, March 25, 1938, establishing in the Office of the Secretary a Division of Monetary Research and a Division of Tax Research

There are hereby established in the Office of the Secretary (a) a Division of Monetary Research and (b) a Division of Tax Research. There are also hereby created the positions, respectively, of Director of Monetary Research and of Director of Tax Research.

DIVISION OF MONETARY RESEARCH

The functions of the Division of Monetary Research will include the preparation of analyses and recommendations to aid the Secretary of the Treasury in the formulation and execution of the monetary policies of the Treasury Department

[1] 3 F. R. 715 (DI).
[2] 3 F. R. 717 (DI).

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

in connection with the stabilization fund and other operations under the Gold Reserve and Silver Purchase Acts, and economic analyses relating to the customs activities of the Treasury Department and the Secretary's duties under the Tariff Act. This Division will function under the immediate supervision of the Director of Monetary Research, who will report to the Secretary through the Technical Assistant to the Secretary.

DIVISION OF TAX RESEARCH

The functions of the Division of Tax Research will include the preparation of the analyses of tax systems and tax structures, and recommendations thereon to aid the Secretary of the Treasury in the formulation and execution of taxation policies; the analysis of proposed revenue legislation; and cooperation with the Congressional Joint Committee on Internal Revenue Taxation. This Division will be responsible for the assembly and publication of all statistical information pertaining to Federal taxation, and in this connection will exercise general supervision over the work of the statistical section of the Income Tax Unit, Bureau of Internal Revenue. This Division will function under the immediate supervision of the Director of Tax Research, who will report to the Secretary through the Under Secretary.

MODIFICATION OF TREASURY DEPARTMENT ORDER NO. 8

Treasury Department Order No. 8, dated September 17, 1934, establishing the Division of Research and Statistics, is hereby modified by the transfer from that Division of the functions herein assigned, respectively, to the Division of Monetary Research and the Division of Tax Research.

Except with respect to the functions herein transferred, the Division of Research and Statistics will continue to perform the duties outlined in Treasury Department Order No. 8. All of the service units of that Division, including the graphic section, the statistical section, the stenographic section, and the library, will be utilized by the two new divisions herein established, and to the extent that consolidation is found practicable the administrative records pertaining to the personnel of the three divisions will continue to be maintained in the Division of Research and Statistics.

Funds available to the Division of Research and Statistics will be allotted to the two new divisions in amounts proportionate to the personnel and other expenses to be assumed by them.

This order is effective immediately with respect to the establishment of the Division of Monetary Research. The establishment of the Division of Tax Research will be effective as of June 1, 1938.

H. MORGENTHAU, JR.,
Secretary of the Treasury.

MISCELLANEOUS

Exhibit 60

Section 3 of the act to provide aid to the States in wildlife-restoration projects (Public No. 415, September 2, 1937), establishing in the Treasury the Federal aid to wildlife-restoration fund

SEC. 3. An amount equal to the revenue accruing during the fiscal year ending June 30, 1939, and each fiscal year thereafter, from the tax imposed by section 610, title IV, of the Revenue Act of 1932 (47 Stat. 169), as heretofore or hereafter extended and amended, on firearms, shells, and cartridges, is hereby authorized to be set apart in the Treasury as a special fund to be known as "The Federal aid to wildlife-restoration fund" and is hereby authorized to be appropriated and made available until expended for the purposes of this act. So much of such appropriation apportioned to any State for any fiscal year as remains unexpended at the close thereof is authorized to be made available for expenditure in that State until the close of the succeeding fiscal year. Any amount apportioned to any State under the provisions of this act which is unexpended or unobligated at the end of the period during which it is available for expenditure on any project is authorized to be made available for expenditure by the Secretary of Agriculture in carrying out the provisions of the Migratory Bird Conservation Act.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 61

An act to authorize the Secretary of the Treasury to cancel obligations of the Reconstruction Finance Corporation incurred in supplying funds for relief at the authorization or direction of Congress, and for other purposes

[Public No. 432, 75th Cong., H. R. 9379]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to cancel notes of the Reconstruction Finance Corporation (which notes are hereby made available to the Secretary of the Treasury for the purposes of this section) and all sums due and unpaid upon or in connection with such notes at the time of such cancelation and discharge in a principal amount equal to the outstanding funds of the Reconstruction Finance Corporation heretofore or hereafter disbursed under or by reason of the provisions set forth in—

(a) Section 2 of Reconstruction Finance Corporation Act, approved January 22, 1932 (47 Stat. 5), as amended; act approved February 4, 1933 (47 Stat. 795); section 1 (a) to (d) and last sentence of section 201 (e) of Emergency Relief and Construction Act of 1932, approved July 21, 1932 (47 Stat. 709); section 1 (e) of Emergency Relief and Construction Act of 1932, approved July 21, 1932 (47 Stat. 711), and any amendatory or supplementary legislation; section 5 of Farm Credit Act of 1933, approved June 16, 1933 (48 Stat. 258), as amended; section 5 of Agricultural Adjustment Act, approved May 12, 1933 (48 Stat. 33), as amended; sections 30 (a), 32, and 37 of Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (48 Stat. 46, 48, and 50), as amended; section 4 of Home Owners' Loan Act of 1933, approved June 13, 1933 (48 Stat. 129); Federal Emergency Relief Act of 1933, approved May 12, 1933 (48 Stat. 55); first paragraph of title II of Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1055); section 4 of National Housing Act, approved June 27, 1934 (48 Stat. 1247); Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (49 Stat. 115); section 3 of Federal Farm Mortgage Corporation Act, approved January 31, 1934 (48 Stat. 345); section 33 of Farm Credit Act of 1937, approved August 19, 1937 (50 Stat. 717); and

(b) First sentence of section 201 (e) of Emergency Relief and Construction Act of 1932, approved July 21, 1932 (47 Stat. 713); section 84 of Farm Credit Act of 1933, approved June 16, 1933 (48 Stat. 273), as amended; act approved April 10, 1936 (49 Stat. 1191); act approved February 11, 1937 (50 Stat. 19);

together with expenses incurred by Reconstruction Finance Corporation in connection with section 1 of the Emergency Relief and Construction Act of 1932, as amended; and together with the interest paid to the Treasury thereon in the amount of $33,177,491.82: *Provided,* That any evidence of indebtedness with respect to funds disbursed by Reconstruction Finance Corporation under or by reason of the provisions of law referred to in subsection (a) hereof be transferred to the Secretary of the Treasury: *Provided further,* That with respect to funds heretofore or hereafter disbursed by Reconstruction Finance Corporation under or by reason of the provisions of law referred to in subsection (b) hereof, notes shall be canceled by the Secretary of the Treasury only upon the transfer and delivery by the Reconstruction Finance Corporation to the Secretary of the Treasury or to such officer, officers, agency, or agencies as the President shall designate, of all such capital stock as the Reconstruction Finance Corporation may hold pursuant to any provision of law referred to in said subsection (b): *Provided further,* That the Secretary of the Treasury and the Reconstruction Finance Corporation are authorized and directed to make adjustments on their books and records as may be necessary to carry out the purposes of this act.

SEC. 2. The amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered to have outstanding at any one time under the provisions of law referred to in subsections (a) and (b) of section 1 of this act is correspondingly reduced by the amount of the notes authorized to be canceled by the Secretary of the Treasury pursuant to section 1 of this act.

SEC. 3. Any sums at any time received by any agency of the United States, including the Reconstruction Finance Corporation, representing repayments or recoveries of funds disbursed out of amounts allocated or made available pursuant to any of the provisions of law referred to in section 1 hereof, shall forthwith be covered into the General Fund of the Treasury, except that whenever, under applicable provisions of law or otherwise, such funds represent amounts which

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

continue to be available or required to be expended for the purposes for which originally allocated or made available, such funds shall not be covered into the General Fund of the Treasury until the expiration of the period during which they are so available or required to be expended.

SEC. 4. Section 3 of the Reconstruction Finance Corporation Act, approved January 22, 1932, as amended (U. S. C., 1934 edition, title 15, sec. 601, and the following), is further amended by striking out the first two sentences of such section and inserting in lieu thereof the following: "The management of the Corporation shall be vested in a board of directors consisting of five persons appointed by the President of the United States by and with the advice and consent of the Senate. Of the five members of the board not more than three shall be members of any one political party and not more than one shall be appointed from any one Federal Reserve district."

Approved, February 24, 1938.

Exhibit 62

Customs Administrative Act of 1938, amending certain administrative provisions of the Tariff Act of 1930, and for other purposes

[Public No. 721, 75th Cong., H. R. 8099]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Customs Administrative Act of 1938."

SEC. 2. Sections 1, 201, 401 (k), 557, and 562 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, secs. 1001, 1201, 1401 (k), 1557, and 1562) and section 401 (a) of the Anti-Smuggling Act (U. S. C., 1934 edition, Supp. III, title 19, sec. 1709 (a)) are hereby amended by inserting "Wake Island, Midway Islands, Kingman Reef," before the words "and the island of Guam" and before the words "or the island of Guam" wherever such words appear in each such section.

SEC. 3. Section 304 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1304) is hereby amended to read as follows:

"SEC. 304. MARKING OF IMPORTED ARTICLES AND CONTAINERS.

"(a) Marking of articles.—Except as hereinafter provided, every article of foreign origin (or its container, as provided in subsection (b) hereof) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article. The Secretary of the Treasury may by regulations—

"(1) Determine the character of words and phrases or abbreviations thereof which shall be acceptable as indicating the country of origin and prescribe any reasonable method of marking, whether by printing, stenciling, stamping, branding, labeling, or by any other reasonable method, and a conspicuous place on the article (or container) where the marking shall appear;

"(2) Require the addition of any other words or symbols which may be appropriate to prevent deception or mistake as to the origin of the article or as to the origin of any other article with which such imported article is usually combined subsequent to importation but before delivery to an ultimate purchaser; and

"(3) Authorize the exception of any article from the requirements of marking if—

"(A) Such article is incapable of being marked;

"(B) Such article cannot be marked prior to shipment to the United States without injury;

"(C) Such article cannot be marked prior to shipment to the United States, except at an expense economically prohibitive of its importation;

"(D) The marking of a container of such article will reasonably indicate the origin of such article;

"(E) Such article is a crude substance;

"(F) Such article is imported for use by the importer and not intended for sale in its imported or any other form;

"(G) Such article is to be processed in the United States by the importer or for his account otherwise than for the purpose of concealing the origin of such

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

article and in such manner that any mark contemplated by this section would necessarily be obliterated, destroyed, or permanently concealed;

"(H) An ultimate purchaser, by reason of the character of such article or by reason of the circumstances of its importation, must necessarily know the country of origin of such article even though it is not marked to indicate its origin;

"(I) Such article was produced more than twenty years prior to its importation into the United States; or

"(J) Such article is of a class or kind with respect to which the Secretary of the Treasury has given notice by publication in the weekly Treasury Decisions within two years after July 1, 1937, that articles of such class or kind were imported in substantial quantities during the five-year period immediately preceding January 1, 1937, and were not required during such period to be marked to indicate their origin: *Provided*, That this subdivision (J) shall not apply after September 1, 1938, to sawed lumber and timbers, telephone, trolley, electric-light, and telegraph poles of wood, and bundles of shingles; but the President is authorized to suspend the effectiveness of this proviso if he finds such action required to carry out any trade agreement entered into under the authority of the act of June 12, 1934 (U. S. C., 1934 edition, title 19, secs. 1351–1354), as extended.

"(b) Marking of containers.—Whenever an article is excepted under subdivision (3) of subsection (a) of this section from the requirements of marking, the immediate container, if any, of such article, or such other container or containers of such article as may be prescribed by the Secretary of the Treasury, shall be marked in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of such article, subject to all provisions of this section, including the same exceptions as are applicable to articles under subdivision (3) of subsection (a). If articles are excepted from marking requirements under clause (F), (G), or (H) of subdivision (3) of subsection (a) of this section, their usual containers shall not be subject to the marking requirements of this section. Usual containers in use as such at the time of importation shall in no case be required to be marked to show the country of their own origin.

"(c) Additional duties for failure to mark.—If at the time of importation any article (or its container, as provided in subsection (b) hereof) is not marked in accordance with the requirements of this section, and if such article is not exported or destroyed or the article (or its container, as provided in subsection (b) hereof) marked after importation in accordance with the requirements of this section (such exportation, destruction, or marking to be accomplished under customs supervision prior to the liquidation of the entry covering the article, and to be allowed whether or not the article has remained in continuous customs custody), there shall be levied, collected, and paid upon such article a duty of 10 per centum ad valorem, which shall be deemed to have accrued at the time of importation, shall not be construed to be penal, and shall not be remitted wholly or in part nor shall payment thereof be avoidable for any cause. Such duty shall be levied, collected, and paid in addition to any other duty imposed by law and whether or not the article is exempt from the payment of ordinary customs duties. The compensation and expenses of customs officers and employees assigned to supervise the exportation, destruction, or marking to exempt articles from the application of the duty provided for in this subsection shall be reimbursed to the Government by the importer.

"(d) Delivery withheld until marked.—No imported article held in customs custody for inspection, examination, or appraisement shall be delivered until such article and every other article of the importation (or their containers), whether or not released from customs custody, shall have been marked in accordance with the requirements of this section or until the amount of duty estimated to be payable under subsection (c) of this section has been deposited. Nothing in this section shall be construed as excepting any article (or its container) from the particular requirements of marking provided for in any other provision of law.

"(e) Penalties.—If any person shall, with intent to conceal the information given thereby or contained therein, deface, destroy, remove, alter, cover, obscure, or obliterate any mark required under the provisions of this act, he shall, upon conviction, be fined not more than $5,000 or imprisoned not more than one year, or both."

SEC. 4. Subdivisions (1), (5), and (6) of section 308 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1308) are hereby amended to read as follows:

"(1) Articles to be repaired, altered, or otherwise changed in condition by processes which do not result in articles manufactured or produced in the United States;

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

"(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and horses, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents (A) for the purpose of taking part in races or other specific contests, or (B) for the transportation of such nonresidents, their families and guests, and such incidental carriage of articles as may be necessary and appropriate to the purposes of the journey, but not to be used for the transportation of persons or articles for hire nor in any case primarily for the carriage of articles (but nothing in this act shall be construed as altering the customary exceptions of vehicles and other instruments of international traffic from the application of the customs laws); and in the case of horses, vehicles, and craft entered under this subdivision collectors of customs may, under such regulations as the Secretary of the Treasury may prescribe, defer the exaction of a bond for not to exceed ninety days (or six months in the case of such horses, vehicles, and craft from a country which accords a similar privilege to horses, vehicles, and craft from the United States) after the date of importation, but unless such horse, vehicle, or craft is exported or the bond is given within the period of such deferment, such horse, vehicle, or craft shall be subject to forfeiture;

"(6) Locomotives and other railroad equipment brought temporarily into the United States for use in clearing obstructions, fighting fires, or making emergency repairs on railroads within the United States, or for use in transportation otherwise than in international traffic when the Secretary of the Treasury finds that the temporary use of foreign railroad equipment is necessary to meet an emergency;". and the period at the end of subdivision (8) is changed to a semicolon and a new subdivision is added at the end of such section 308 to read as follows:

"(9) Professional equipment, tools of trade, and camping equipment imported for their own use by nonresidents sojourning temporarily in the United States, and articles of special design for temporary use exclusively in connection with the manufacture or production of articles for export."

SEC. 5. (a) Section 309 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1309) is hereby amended to read as follows:

"SEC. 309. SUPPLIES FOR CERTAIN VESSELS AND AIRCRAFT.

"(a) Exemption from customs duties and internal revenue tax.—Articles of foreign or domestic manufacture or production may, under such regulations as the Secretary of the Treasury may prescribe, be withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse free of duty or internal revenue tax for supplies (not including equipment) of vessels of war, in ports of the United States, of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports, or for supplies (not including equipment) of vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or for supplies (not including equipment) of aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions, or for supplies (including equipment), maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted.

"(b) Drawback.—Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse and articles of domestic manufacture or production, laden as supplies upon any such foreign vessel or any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign aircraft, shall be considered to be exported within the meaning of the drawback provisions of this act.

"(c) Articles removed in, or returned to, the United States.—Any article exempted from duty or tax, or in respect of which drawback has been allowed, under this section or section 317 of this act and thereafter removed in the United States from any vessel or aircraft, or otherwise returned to the United States, shall be treated as an importation from a foreign country.

"(d) Reciprocal privileges.—The privileges granted by this section and section 317 of this act in respect of aircraft registered in a foreign country shall be allowed only if the Secretary of the Treasury shall have been advised by the Secretary of Commerce that he has found that such foreign country allows, or will allow, substantially reciprocal privileges in respect of aircraft registered in the United

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

States. If the Secretary of Commerce shall advise the Secretary of the Treasury that he has found that a foreign country has discontinued, or will discontinue, the allowance of such privileges, the privileges granted by this section and such section 317 shall not apply thereafter in respect of aircraft registered in that foreign country."

(b) Section 317 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1317, and title 26, sec. 897 (b)) is amended by changing the caption thereof to read "Tobacco products—supplies for aircraft."; by designating the present paragraph thereof as subsection (a); and by adding thereto a new subsection (b) to read as follows:

"(b) The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair of, aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted, shall be deemed an exportation within the meaning of the customs and internal revenue laws applicable to the exportation of such merchandise without the payment of duty or internal revenue tax."

(c) This section shall take effect on the day following the enactment of this act.

SEC. 6. Section 315 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1315) is hereby amended by deleting the proviso thereof, changing the colon preceding such proviso to a period, and adding at the end of such section the following: "Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation. No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of thirty days after the date of publication in the weekly Treasury Decisions of notice of such ruling; but this provision shall not apply with respect to the imposition of antidumping duties."

SEC. 7. The Tariff Act of 1930 is hereby amended by adding at the end of part I of title III thereof the following new section:

"SEC. 321. ADMINISTRATIVE EXEMPTIONS.

"Collectors of customs are hereby authorized, under such regulations as the Secretary of the Treasury may prescribe, to disregard a difference of less than $1 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon, and to admit articles free of duty when the expense and inconvenience of collecting the duty accruing thereon would be disproportionate to the amount of such duty, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty under the authority of this section shall not exceed $5 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States, or $1 in any other case."

SEC. 8. Section 402 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1402) is hereby amended by inserting the words "for home consumption" after the words "freely offered for sale" in subsection (c), and by inserting the words "for domestic consumption" after the words "freely offered for sale" in subsections (e) and (g) and after the word "sold" in subsection (g).

SEC. 9. So much of the last sentence of section 451 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1451) as precedes the words "gives a bond in a penal sum to be fixed by the collector" is hereby amended to read as follows: "Upon a request made by the owner, master, or person in charge of a vessel or vehicle, or by or on behalf of a common carrier or by or on behalf of the owner or consignee of any merchandise or baggage, for overtime services of customs officers or employees at night or on a Sunday or holiday, the collector shall assign sufficient customs officers or employees if available to perform any such services which may lawfully be performed by them during regular hours of business, but only if the person requesting such services"; and the said section 451 is further amended by adding at the end thereof the following: "Nothing in this section shall be construed to impair the existing authority of the Treasury Department to assign customs officers or employees to regular tours of duty at nights or on Sundays or holidays when such assignments are in the public interest."

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

SEC. 10. (a) Section 459 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1459) is hereby amended by striking out the last two sentences of such section and inserting in lieu thereof the following: "Any person importing or bringing merchandise into the United States from a contiguous country otherwise than in a vessel or vehicle shall immediately report his arrival to the customs officer at the port of entry or customhouse which shall be nearest to the place at which he shall cross the boundary line and shall present such merchandise to such customs officer for inspection."

(b) Section 460 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1460) is hereby amended to read as follows:

"SEC. 460. SAME—PENALTIES FOR FAILURE TO REPORT OR FILE MANIFEST.

"The master of any vessel or the person in charge of any vehicle who fails to report arrival in the United States as required by the preceding section, or if so reporting proceeds further inland without a permit from the proper customs officer, shall be subject to a penalty of $100 for each offense. If any merchandise is imported or brought into the United States in any vessel or vehicle, or by any person otherwise than in a vessel or vehicle, from a contiguous country, which vessel, vehicle, or merchandise is not so reported to the proper customs officers; of if the master of such vessel or the person in charge of such vehicle fails to file a manifest for the merchandise carried therein, or discharges or lands such merchandise without a permit; such merchandise and the vessel or vehicle, if any, in which it was imported or brought into the United States shall be subject to forfeiture; and the master of such vessel or the person in charge of such vehicle, or the person importing or bringing in merchandise otherwise than in a vessel or vehicle, shall, in addition to any other penalty, be liable to a penalty equal to the value of the merchandise which was not reported, or not included in the manifest, or which was discharged or landed without a permit. If any vessel or vehicle not so reported carries any passenger; or if any passenger is discharged or landed from any such vessel or vehicle before it is so reported, or after such report but without a permit; the master of the vessel or the person in charge of the vehicle shall, in addition to any other penalty, be liable to a penalty of $500 for each passenger so carried, discharged, or landed."

SEC. 11. The Tariff Act of 1930 is hereby amended by adding at the end of part II of title IV thereof a new section to read as follows:

"SEC. 467. SPECIAL INSPECTION, EXAMINATION, AND SEARCH.

"Whenever a vessel from a foreign port or place or from a port or place in any Territory or possession of the United States arrives at a port or place in the United States or the Virgin Islands, whether directly or via another port or place in the United States or the Virgin Islands, the collector of customs for such port or place of arrival may, under such regulations as the Secretary of the Treasury may prescribe and for the purpose of assuring compliance with any law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce, cause inspection, examination, and search to be made of the persons, baggage, and merchandise discharged or unladen from such vessel, whether or not any or all such persons, baggage, or merchandise has previously been inspected, examined, or searched by officers of the customs."

SEC. 12. The last sentence of subsection (f) of section 484 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1484) is hereby amended to read as follows: "All other merchandise arriving on one vessel or vehicle and consigned to one consignee shall be included in one entry, unless the Secretary of the Treasury shall authorize the inclusion of portions of such merchandise in separate entries under such rules and regulations as he may prescribe."

SEC. 13. Section 485 (f) of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1485 (f)) is hereby amended by changing the last comma therein to a period; by striking out the words "or by any other person specifically authorized by any officer of such corporation to make the same"; and by inserting in lieu of the deleted words a new sentence to read as follows: "Whether the consignee is an individual, a partnership, or a corporation, the declaration may be made by any person who has knowledge of the facts and who is specifically authorized by such individual, a member of such partnership, or an officer of such corporation to make such declaration."

SEC. 14. (a) So much of section 491 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1491) as precedes the words "shall be considered unclaimed and abandoned" is hereby amended to read as follows: "Any entered or unentered merchandise (except merchandise entered under section 557 of this act,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

but including merchandise entered for transportation in bond or for exportation) which shall remain in customs custody for one year from the date of importation thereof, without all estimated duties and storage or other charges thereon having been paid,".

(b) Such section 491 is further amended by adding the following new sentences at the end thereof: "Merchandise subject to sale hereunder or under section 559 of this act may be entered or withdrawn for consumption at any time prior to such sale upon payment of all duties, storage, and other charges, and expenses that may have accrued thereon, but such merchandise after becoming subject to sale may not be exported prior to sale without the payment of such duties, charges, and expenses nor may it be entered for warehouse. The computation of duties for the purposes of this section and sections 493 and 559 of this act shall be at the rate or rates applicable at the time the merchandise becomes subject to sale."

SEC. 15. Section 499 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1499) is hereby amended by striking out from the first sentence thereof the words "except as otherwise provided in this act" and inserting in lieu thereof the words "except under such bond or other security as may be prescribed by the Secretary of the Treasury to assure compliance with all applicable laws, regulations, and instructions which the Secretary of the Treasury or the Customs Service is authorized to enforce."

SEC. 16. (a) Section 499 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1499) is hereby further amended by inserting after the word "regulation" in the third sentence thereof the following: "or instruction, the application of which may be restricted to one or more individual ports or to one or more importations or one or more classes of merchandise,"; by adding after the third sentence thereof the following new sentence: "All such special regulations or instructions shall be published in the weekly Treasury Decisions within fifteen days after issuance and before the liquidation of any entries affected thereby."; and by adding at the end of such section the following new paragraph:

"No appraisement made after the effective date of the Customs Administrative Act of 1938 shall be held invalid on the ground that the required number of packages or the required quantity of the merchandise was not designated for examination or, if designated, was not actually examined, unless the party claiming such invalidity shall establish that merchandise in the packages or quantities not designated for examination, or not actually examined, was different from that actually examined and that the difference was such as to establish the incorrectness of the appraiser's return of value; and then only as to the merchandise for which the value returned by the appraiser is shown to be incorrect."

(b) Section 501 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1501) is hereby amended by striking out the fourth sentence of the first paragraph thereof and inserting in lieu thereof the following: "Every such appeal shall be transmitted with the entry and the accompanying papers by the collector to the United States Customs Court and shall be assigned to one of the judges, who shall in every case, notwithstanding that the original appraisement may for any reason be held invalid or void and that the merchandise or samples thereof be not available for examination, after affording the parties an opportunity to be heard on the merits, determine the value of the merchandise from the evidence in the entry record and that adduced at the hearing."; and such section 501 is further amended by designating the present two paragraphs thereof as subsections (a) and (b), respectively, and by adding after such subsections a new subsection (c) to read as follows:

"(c) If upon the hearing of a protest, the United States Customs Court shall declare an appraisement of merchandise made after the effective date of the Customs Administrative Act of 1938 to have been invalid or void, it shall remand the matter to a single judge, who shall proceed to determine the proper dutiable value of such merchandise in the manner provided for by this section. In such proceeding no presumption of correctness shall attach to the invoice or entered values."

SEC. 17. (a) Subsection (b) of section 516 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1516 (b)) is hereby amended to read as follows:

"(b) Classification.—The Secretary of the Treasury shall, upon written request by an American manufacturer, producer, or wholesaler, furnish the classification of, and the rate of duty, if any, imposed upon, designated imported merchandise of a class or kind manufactured, produced, or sold at wholesale by him. If such manufacturer, producer, or wholesaler believes that the proper rate of duty is not being assessed, he may file a complaint with the Secretary, setting forth a description of the merchandise, the classification, and the rate or rates of duty he believes

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

proper, and the reasons for his belief. If the Secretary decides that the classification of, or rate of duty assessed upon, the merchandise is not correct, he shall notify the collectors as to the proper classification and rate of duty and shall so inform the complainant, and such rate of duty shall be assessed upon all such merchandise entered for consumption or withdrawn from warehouse for consumption after thirty days after the date such notice to the collectors is published in the weekly Treasury Decisions. If the Secretary decides that the classification and rate of duty are correct, he shall so inform the complainant. If dissatisfied with the decision of the Secretary, the complainant may file with the Secretary, not later than thirty days after the date of such decision, notice that he desires to protest the classification of, or rate of duty assessed upon, the merchandise. Upon receipt of such notice from the complainant, the Secretary shall cause publication to be made of his decision as to the proper classification and rate of duty and of the complainant's desire to protest, and shall thereafter furnish the complainant with such information as to the entries and consignees of such merchandise, entered after the publication of the decision of the Secretary at the port of entry designated by the complainant in his notice of desire to protest, as will enable the complainant to protest the classification of, or rate of duty imposed upon, such merchandise in the liquidation of such an entry at such port. The Secretary shall direct the collector at such port to notify such complainant immediately when the first of such entries is liquidated. Within thirty days after the date of mailing to the complainant of notice of such liquidation, the complainant may file with the collector at such port a protest in writing setting forth a description of the merchandise and the classification and rate of duty he believes proper. Notwithstanding such protest is filed, merchandise of the character covered by the published decision of the Secretary, when entered for consumption or withdrawn from warehouse for consumption on or before the date of publication of a decision of the United States Customs Court or of the United States Court of Customs and Patent Appeals, rendered under the provisions of subsection (c) of this section, not in harmony with the published decision of the Secretary, shall be classified and the entries liquidated in accordance with such decision of the Secretary, and, except as otherwise provided in this act, the liquidations of such entries shall be final and conclusive upon all parties. If the protest of the complainant is sustained in whole or in part by a decision of the United States Customs Court or of the United States Court of Customs and Patent Appeals, merchandise of the character covered by the published decision of the Secretary, which is entered for consumption or withdrawn from warehouse for consumption after the date of publication of such court decision, shall be subject to classification and assessment of duty in accordance with the final judicial decision on the complainant's protest, and the liquidation of entries covering such merchandise so entered or withdrawn shall be suspended until final disposition is made of such protest, whereupon such entries shall be liquidated, or if necessary, reliquidated in accordance with such final decision. Every proceeding arising under this subsection shall be given precedence over other cases on the dockets of the United States Customs Court and the United States Court of Customs and Patent Appeals, and shall be assigned for hearing and trial at the earliest practicable date and expedited in every way."

(b) The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as amended by this act, shall apply only in the case of complaints filed after the effective date of this act. The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as in force prior to the effective date of this act, shall continue in force with respect to any proceedings commenced by the filing of a complaint thereunder, except that upon the expiration of thirty days after the effective date of this act, or upon the expiration of thirty days after the date of a decision of the Secretary adverse to the complainant, whichever is the later, any such proceedings in which a protest has not been duly filed shall be deemed to have been terminated unless the complainant shall have filed with the Secretary after the effective date of this act a notice that he desires to protest the classification of, or rate of duty assessed upon, the merchandise.

(c) The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as amended by this act, shall not apply with respect to any article of a class or kind which is named or described in any obligation undertaken by the United States in a foreign trade agreement entered into under section 350 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1351).

SEC. 18. Section 520 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1520), as amended by section 2 of the Permanent Appropriation Repeal Act, 1934 (U. S. C., 1934 edition, title 31, sec. 725a), is hereby further amended to read as follows:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

"SEC. 520. REFUNDS AND ERRORS.

"(a) The Secretary of the Treasury is hereby authorized to refund duties or other receipts in the following cases:

"(1) Excess deposits.—Whenever it is ascertained on liquidation or reliquidation of an entry that more money has been deposited or paid as duties than was required by law to be so deposited or paid;

"(2) Fees, charges, and exactions.—Whenever it is determined in the manner required by law that any fees, charges, or exactions, other than duties and taxes, have been erroneously or excessively collected; and

"(3) Fines, penalties, and forfeitures.—Whenever money has been deposited in the Treasury on account of a fine, penalty, or forfeiture which did not accrue, or which is finally determined to have accrued in an amount less than that so deposited, or which is mitigated to an amount less than that so deposited or is remitted.

"(b) The necessary moneys to make such refunds are hereby authorized to be appropriated annually from the General Fund of the Treasury.

"(c) Notwithstanding a valid protest was not filed, the Secretary of the Treasury may authorize a collector to reliquidate an entry to correct—

"(1) A clerical error in any entry or liquidation discovered within one year after the date of entry, or within sixty days after liquidation when liquidation is made more than ten months after the date of entry; or

"(2) Any assessment of duty on household or personal effects which by law were not subject to duty and in respect of which an application for refund has been filed with the collector within one year after the date of entry."

SEC. 19. (a) Section 1 of the act of June 19, 1886, as amended (U. S. C., 1934 edition, title 46, sec. 331), is hereby further amended by adding a comma and the following words after the words "Measurement of tonnage and certifying the same" and before the semicolon in the first sentence thereof: "except that the compensation and necessary travel and subsistence expenses of the officers so measuring or certifying such vessels at the request of the owners thereof at a place other than a port of entry or a customs station shall be paid by such owners."

(b) Section 524 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1524) is hereby amended to read as follows:

"Receipts for any reimbursable charges or expenses which have been paid for out of any appropriation for collecting the revenue from customs shall be deposited as a refund to such appropriation instead of being covered into the Treasury as miscellaneous receipts, as provided by the act entitled 'An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1908, and for other purposes', approved March 4, 1907."

SEC. 20. The Tariff Act of 1930 is hereby amended by adding at the end of part III of title IV thereof a new section, to read as follows:

"SEC. 528. TAXES NOT TO BE CONSTRUED AS DUTIES.

"No tax or other charge imposed by or pursuant to any law of the United States shall be construed to be a customs duty for the purpose of any statute relating to the customs revenue, unless the law imposing such tax or charge designates it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws. Nothing in this section shall be construed to limit or restrict the jurisdiction of the United States Customs Court or the United States Court of Customs and Patent Appeals."

SEC. 21. Section 553 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1553) is hereby amended by adding the following at the end thereof: "In places where no bonded common-carrier facilities are reasonably available, such merchandise may be so transported otherwise than by a bonded common carrier under such regulations as the Secretary of the Treasury shall prescribe."

SEC. 22. (a) Section 557 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1557) is hereby further amended by inserting before the colon preceding the proviso in the first paragraph thereof the words "or elsewhere, or for transfer to another bonded warehouse at the same port"; by eliminating the phrase "99 per centum of" from the last sentence of the said paragraph; by designating the present paragraphs thereof as subsections (a) and (c), respectively; and by inserting between such subsections a new subsection (b) to read as follows:

"(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury. So long as any such transfer remains unrevoked the transferee shall

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

have, with respect to the merchandise the subject of the transfer, all rights to file protests, and to the privileges provided for in this section and in sections 562 and 563 of this act which would otherwise be possessed by the transferor. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise and no revocation of any transfer shall deprive him of this right. Any such transfer may be made irrevocable by the filing of a bond of the transferee in such amount and with such conditions as the Secretary of the Treasury shall prescribe, including an obligation to pay all unpaid regular, increased, and additional duties, charges, and exactions on the merchandise the subject of the transfer. Upon the filing of such bond the transferor shall be relieved from liability for the payment of duties, charges, and exactions on the merchandise the subject of the transfer, but shall remain bound by all other unsatisfied conditions of his bond."

(b) On and after the effective date of this act, this section shall be effective with respect to merchandise entered for warehouse prior to, as well as after, such date.

SEC. 23. (a) Section 557 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1557) is hereby further amended and sections 559 and 563 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, secs. 1559 and 1563) are hereby amended by deleting "(or ten months in the case of grain)" wherever appearing in such sections.

(b) The amendments made by subsection (a) of this section shall apply in the case of grain imported prior to the effective date of this act which, on such date, has not become abandoned to the Government under section 491 or 559 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1491 or 1559), and which has remained in the custody of customs officers.

SEC. 24. Section 558 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1558) is hereby amended to read as follows:

"SEC. 558. NO REMISSION OR REFUND AFTER RELEASE OF MERCHANDISE.

"(a) No remission, abatement, refund, or drawback of estimated or liquidated duty shall be allowed because of the exportation or destruction of any merchandise after its release from the custody of the Government, except in the following cases:

"(1) When articles are exported with respect to which a drawback of duties is expressly provided for by law;

"(2) When prohibited articles have been regularly entered in good faith and are subsequently exported or destroyed pursuant to a law of the United States and under such regulations as the Secretary of the Treasury may prescribe; and

"(3) When articles entered under bond, under any provision of law, are destroyed within the bonded period as provided for in section 557 of this act, or are destroyed within the bonded period by death, accidental fire, or other casualty, and proof of such destruction is furnished which shall be satisfactory to the Secretary of the Treasury, in which case any accrued duties shall be remitted or refunded and any condition in the bond that the articles shall be exported shall be deemed to have been satisfied.

"(b) When articles are exported or destroyed under customs supervision after once having been released from customs custody, as provided for in subsection (c) of section 304 of this act, such exportation or destruction shall not exempt such articles from the payment of duties other than the marking duty provided for in such subsection (c)."

SEC. 25. Section 562 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1562) is amended by adding the following new sentence at the end thereof: "Under such regulations as the Secretary of the Treasury shall prescribe, imported merchandise which has been entered and which has remained in continuous customs custody may be manipulated in accordance with the provisions of this section under customs supervision and at the risk and expense of the consignee, but elsewhere than in a bonded warehouse, in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse."

SEC. 26. So much of section 598 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1598) as precedes the first semicolon therein is hereby amended to read as follows: "If any unauthorized person affixes, attaches, or in any way willfully assists or encourages the affixing or attaching of a customs seal, fastening, or mark, or any seal, fastening, or mark purporting to be a customs seal, fastening, or mark to any vessel, vehicle, warehouse, or package."

SEC. 27. Section 603 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1603) is hereby amended to read as follows:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

"SEC. 603. SAME—COLLECTOR'S REPORTS.

"Whenever a seizure of merchandise for violation of the customs laws is made, or a violation of the customs laws is discovered, and legal proceedings by the United States attorney in connection with such seizure or discovery are required, it shall be the duty of the collector or the principal local officer of the Customs Agency Service to report such seizure or violation to the United States attorney for the district in which such violation has occurred, or in which such seizure was made, and to include in such report a statement of all the facts and circumstances of the case within his knowledge, with the names of the witnesses and a citation to the statute or statutes believed to have been violated, and on which reliance may be had for forfeiture or conviction."

SEC. 28. (a) Section 607 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1607) is hereby amended by striking out the words "forfeit and sell the same" and inserting in lieu thereof the words "forfeit and sell or otherwise dispose of the same according to law."

(b) Section 609 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1609) is hereby amended by adding the words "or otherwise dispose of the same according to law" after the words "in the same manner as merchandise abandoned to the United States is sold."

SEC. 29. Section 613 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1613) is hereby amended by inserting the word "and" after the semicolon at the end of subdivision (2) thereof, by deleting subdivision (3) thereof, and by redesignating subdivision (4) thereof as subdivision (3).

SEC. 30. Section 623 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1623) is hereby amended to read as follows:

"SEC. 623. BONDS AND OTHER SECURITY.

"(a) In any case in which bond or other security is not specifically required by law, the Secretary of the Treasury may by regulation or specific instruction require, or authorize collectors of customs to require, such bonds or other security as he, or they, may deem necessary for the protection of the revenue or to assure compliance with any provision of law, regulation, or instruction which the Secretary of the Treasury or the Customs Service may be authorized to enforce.

"(b) Whenever a bond is required or authorized by a law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce, the Secretary of the Treasury may—

"(1) Except as otherwise specifically provided by law, prescribe the conditions and form of such bond, and fix the amount of penalty thereof, whether for the payment of liquidated damages or of a penal sum: *Provided*, That when a consolidated bond authorized by paragraph 4 of this subsection is taken, the Secretary of the Treasury may fix the penalty of such bond without regard to any other provision of law, regulation, or instruction.

"(2) Provide for the approval of the sureties on such bond, without regard to any general provision of law.

"(3) Authorize the execution of a term bond the conditions of which shall extend to and cover similar cases of importations over such period of time, not to exceed one year, or such longer period as he may fix when in his opinion special circumstances existing in a particular instance require such longer period.

"(4) Authorize, to the extent that he may deem necessary, the taking of a consolidated bond (single entry or term), in lieu of separate bonds to assure compliance with two or more provisions of law, regulations, or instructions which the Secretary of the Treasury or the Customs Service is authorized to enforce. A consolidated bond taken pursuant to the authority contained in this subsection shall have the same force and effect in respect of every provision of law, regulation, or instruction for the purposes for which it is required as though separate bonds had been taken to assure compliance with each such provision.

"(c) The Secretary of the Treasury may authorize the cancelation of any bond provided for in this section, or of any charge that may have been made against such bond, in the event of a breach of any condition of the bond, upon the payment of such lesser amount or penalty or upon such other terms and conditions as he may deem sufficient.

"(d) No condition in any bond taken to assure compliance with any law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce shall be held invalid on the ground that such condition is not specified in the law, regulation, or instruction authorizing or requiring the taking of such bond.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

"(e) The Secretary of the Treasury is authorized to permit the deposit of money or obligations of the United States, in such amount and upon such conditions as he may by regulation prescribe, in lieu of sureties on any bond required or authorized by a law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce."

SEC. 31. Paragraph 741 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1001, par. 741) is hereby amended by deleting the words "in packages weighing with the immediate container" and inserting in lieu thereof the words "packed in units of any description weighing (with the immediate container, if any)."

SEC. 32. Paragraph 813 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1001, par. 813) is hereby amended by deleting the word "five" and inserting in lieu thereof the word "fifteen."

SEC. 33. (a) Paragraph 1101 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1001, par. 1101) is hereby amended by redesignating subparagraph (b) thereof as subparagraph (c), by changing the colon at the end of the first proviso in subparagraph (a) thereof to a period and deleting all the matter in such subparagraph (a) following such colon, and by inserting in such paragraph a new subparagraph (b), to read as follows:

"(b) Any of the foregoing may be entered or withdrawn from warehouse without the payment of duty by a manufacturer, processor, or dealer upon the filing of a bond to insure that any wool or hair entered or withdrawn thereunder shall be used only in the manufacture of press cloth, camel's hair belting, knit or felt boots, heavy fulled lumbermen's socks, rugs, carpets, or any other floor coverings. A manufacturer, processor, or dealer may be relieved of liability under his bond with respect to any wool or hair so entered or withdrawn which is transferred in its imported or any other form to another manufacturer, processor, or dealer who has filed a bond to insure that the merchandise so transferred shall be used only in the manufacture of the above-enumerated articles. If any wool or hair so entered, withdrawn, or transferred under bond is used or transferred for use in its imported or any other form in any manner otherwise than in the manufacture of the articles enumerated above, there shall be levied, collected, and paid on the merchandise so used or transferred in violation of the bond the regular duties which would apply to such merchandise if imported in its condition at the time of such use or transfer. Such duties shall be paid by the manufacturer, processor, or dealer whose bond is charged with the wool or hair at the time of such use or transfer; but such duties shall not be levied or collected on any merchandise (except white soft wastes, white threads and noils, which shall be dutiable at seven-eighths of such regular duties when used or transferred for use otherwise than in the manufacture of the enumerated articles) resulting in the usual course of manufacture of such enumerated manufactured articles which cannot be used (with or without further preparation) in the usual course of the manufacture of such enumerated articles, or which is exported or destroyed. When any wool or hair which has been entered or withdrawn under bond as provided for in this subparagraph is used or transferred for use, in its imported or any other form, otherwise than in the manufacture of the above-enumerated articles and prior to such use or transfer there shall have been combined or mixed with such wool or hair any other merchandise, the whole or the combination or mixture shall be presumed to be composed of wool or hair entered or withdrawn under bond, as provided for in this subparagraph, unless the manufacturer, processor, or dealer liable for the payment of the duties shall establish the quantity of bonded wool or hair in such combination or mixture. Every manufacturer, processor, or dealer who has given a bond pursuant to the provisions of this subparagraph shall report any use or transfer of merchandise in violation of the terms of his bond, within thirty days after such use or transfer, to the collector of customs in whose district the bond is filed; and for failure to so report, such manufacturer, processor, or dealer shall be liable to a penalty equal to the value of the merchandise so used or transferred at the time and place of such use or transfer. Such penalty shall be in addition to the duties above provided for. The Secretary of the Treasury is authorized to prescribe such regulations and the form, conditions, and amounts of such bonds as may be necessary to carry into effect the provisions of this subparagraph."

(b) The provisions of paragraph 1101 of the Tariff Act of 1930, as amended by this act, with respect to wool or hair entered under bond for use in the manufacture of articles enumerated in such paragraph, shall apply with respect to wool or hair under bond on the effective date of this act, as well as with respect to wool or hair thereafter imported.

SEC. 34. (a) Paragraph 1111 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1001, par. 1111) is hereby amended by deleting therefrom the phrase "of blanketing,".

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(b) Paragraph 1115 (b) of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1001, par. 1115 (b)), as modified by the President's proclamation of March 16, 1931 (Proclamation Numbered 1941, 47 Stat. 2438), is hereby amended by striking out the words "manufactured wholly or in part of wool felt" and inserting in lieu thereof the words "wholly or in chief value of wool but not knit or crocheted nor made in chief value of knit, crocheted, or woven material,".

(c) Paragraph 1529 (a) of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1001, par. 1529 (a)) is hereby amended by inserting "1116 (a)," after the figure "1111."

SEC. 35. Section 314 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1314) is hereby repealed, and paragraph 1615 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1201, par. 1615) is hereby amended to read as follows:

"PAR. 1615. (a) Articles, the growth, produce, or manufacture of the United States, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means.

"(b) Steel boxes, casks, barrels, carboys, bags, quicksilver flasks or bottles, metal drums, and other substantial outer containers of domestic or foreign manufacture, exported empty and returned as usual containers or coverings of merchandise, or exported filled with products of the United States and returned empty or as the usual containers or coverings of merchandise, including shooks and staves produced in the United States when returned as boxes or barrels in use as the usual containers of merchandise.

"(c) Photographic dry plates and films of the manufacture of the United States (except moving-picture films to be used for commercial purposes), exposed abroad, whether developed or not.

"(d) Photographic films light struck or otherwise damaged, or worn out, so as to be unsuitable for any other purposes than the recovery of the constituent materials, provided the basic films are of the manufacture of the United States.

"(e) The foregoing provisions of this paragraph shall not apply to—

"(1) Any article upon which an allowance of drawback has been made under section 313 of this act or a corresponding provision of a prior tariff act, unless such article is in use at the time of importation as the usual container or covering of merchandise not subject to an ad-valorem rate of duty;

"(2) Any article of a kind with respect to the importation of which an internal revenue tax is imposed at the time such article is entered for consumption or withdrawn from warehouse for consumption, unless such article was subject to an internal revenue tax imposed upon production or importation at the time of its exportation from the United States and it shall be proved that such tax was paid before exportation and not refunded;

"(3) Any article manufactured or produced in a customs bonded warehouse in the United States and exported under any provision of law; or

"(4) Any article made dutiable under the provisions of paragraph 1606 (c) of this act.

"(f) Upon the entry for consumption or withdrawal from warehouse for consumption of any article previously exported, which is excepted from free entry under this paragraph by the foregoing subparagraph (e) and is not otherwise exempted from the payment of duty, there shall be levied, collected, and paid thereon, in lieu of any other duty or tax, a duty equal to the total duty and internal revenue tax, if any, then imposed with respect to the importation of like articles not previously exported from the United States, but in no case in excess of the sum of customs drawback, if any, proved to have been allowed upon the exportation of such article from the United States plus the amount of the internal revenue tax, if any, imposed at the time such article is entered for consumption or withdrawn from warehouse for consumption upon the importation of like articles not previously exported from the United States. Manufactured tobacco subject to duty hereunder shall be retained in customs custody until internal revenue stamps in payment of any part of the legal duties measured by a rate or amount of internal revenue tax shall have been placed thereon.

"(g) Any article exported from the United States for repairs or alterations may be returned upon the payment of a duty upon the value of the repairs or alterations at the rate or rates which would apply to the article itself in its repaired or altered condition if not within the purview of this subparagraph.

"(h) The allowance of total or partial exemption from duty under any provision of this paragraph shall be subject to such regulations as to proof of identity and compliance with the conditions of this paragraph as the Secretary of the Treasury may prescribe."

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

SEC. 36. Paragraph 1798 of the Tariff Act of 1930, as amended (U. S. C., 1934 edition, Supp. III, title 19, sec. 1201, par. 1798), is hereby further amended by striking out the third and fourth provisos thereof and inserting in lieu thereof the following: "*Provided further*, That up to but not exceeding $100 in value of articles (including distilled spirits, wines, and malt liquors aggregating not more than one wine gallon and including not more than one hundred cigars) acquired abroad by such residents of the United States as an incident of the foreign journey for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, shall be free of duty: *Provided further*, That (a) in the case of articles acquired in any country other than a contiguous country which maintains a free zone or free port, the exemption authorized by the preceding proviso shall apply only to articles so acquired by a returning resident who has remained beyond the territorial limits of the United States for a period of not less than forty-eight hours and (b) in the case of articles acquired in a contiguous country which maintains a free zone or free port, the Secretary of the Treasury shall by special regulation or instruction, the application of which may be restricted to one or more individual ports of entry, provide that the exemption authorized by the preceding proviso shall be applied only to articles acquired abroad by a returning resident who has remained beyond the territorial limits of the United States for not less than such period (which period shall not exceed twenty-four hours) as the Secretary may deem necessary in the public interest or to facilitate enforcement at the specified port or ports of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey: *Provided further*, That the exemption authorized by the second preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by a returning resident who has not taken advantage of the said exemption within the thirty-day period immediately preceding his return to the United States: *Provided further*, That no such special regulation or instruction shall take effect until the lapse of ninety days after the date of such special regulation or instruction: *And provided further*, That all articles exempted by this paragraph from the payment of duty shall also be exempt from the payment of any internal revenue taxes."

SEC. 37. Sections 31 and 34 of this act shall take effect on the date of enactment of this act. Except as otherwise specially provided in this act, the remainder of this act shall take effect on the thirtieth day following the date of its enactment.

Approved, June 25, 1938, 5 p. m., E. S. T.

Exhibit 63

An act to regulate commerce in firearms

[Public No. 785, 75th Cong., S. 3]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this act—

(1) The term "person" includes an individual, partnership, association, or corporation.

(2) The term "interstate or foreign commerce" means commerce between any State, Territory, or possession (including the Philippine Islands, but not including the Canal Zone), or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession (including the Philippine Islands but not including the Canal Zone), or the District of Columbia, but through any place outside thereof; or within any Territory or possession or the District of Columbia.

(3) The term "firearm" means any weapon, by whatever name known, which is designed to expel a projectile or projectiles by the action of an explosive and a firearm muffler or firearm silencer, or any part or parts of such weapon.

(4) The term "manufacturer" means any person engaged in the manufacture or importation of firearms, or ammunition or cartridge cases, primers, bullets, or propellent powder for purposes of sale or distribution; and the term "licensed manufacturer" means any such person licensed under the provisions of this act.

(5) The term "dealer" means any person engaged in the business of selling firearms or ammunition or cartridge cases, primers, bullets, or propellent powder, at wholesale or retail, or any person engaged in the business of repairing such firearms or of manufacturing or fitting special barrels, stocks, trigger mechanisms, or breach mechanisms to firearms, and the term "licensed dealer" means any such person licensed under the provisions of this act.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(6) The term "crime of violence" means murder, manslaughter, rape, mayhem, kidnaping, burglary, housebreaking; assault with intent to kill, commit rape, or rob; assault with a dangerous weapon, or assault with intent to commit any offense punishable by imprisonment for more than one year.

(7) The term "fugitive from justice" means any person who has fled from any State, Territory, the District of Columbia, or possession of the United States to avoid prosecution for a crime of violence or to avoid giving testimony in any criminal proceeding.

(8) The term "ammunition" shall include all pistol or revolver ammunition except .22-caliber rim-fire ammunition.

SEC. 2. (a) It shall be unlawful for any manufacturer or dealer, except a manufacturer or dealer having a license issued under the provisions of this act, to transport, ship, or receive any firearm or ammunition in interstate or foreign commerce.

(b) It shall be unlawful for any person to receive any firearm or ammunition transported or shipped in interstate or foreign commerce in violation of subdivision (a) of this section, knowing or having reasonable cause to believe such firearms or ammunition to have been transported or shipped in violation of subdivision (a) of this section.

(c) It shall be unlawful for any licensed manufacturer or dealer to transport or ship any firearm in interstate or foreign commerce to any person other than a licensed manufacturer or dealer in any State the laws of which require that a license be obtained for the purchase of such firearm, unless such license is exhibited to such manufacturer or dealer by the prospective purchaser.

(d) It shall be unlawful for any person to ship, transport, or cause to be shipped or transported in interstate or foreign commerce, any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is under indictment or has been convicted in any court of the United States, the several States, Territories, possessions (including the Philippine Islands), or the District of Columbia of a crime of violence or is a fugitive from justice.

(e) It shall be unlawful for any person who is under indictment or who has been convicted of a crime of violence or who is a fugitive from justice to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm or ammunition.

(f) It shall be unlawful for any person who has been convicted of a crime of violence or is a fugitive from justice to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce, and the possession of a firearm or ammunition by any such person shall be presumptive evidence that such firearm or ammunition was shipped or transported or received, as the case may be, by such person in violation of this act.

(g) It shall be unlawful for any person to transport or ship or cause to be transported or shipped in interstate or foreign commerce any stolen firearm or ammunition, knowing, or having reasonable cause to believe, same to have been stolen.

(h) It shall be unlawful for any person to receive, conceal, store, barter, sell or dispose of any firearm or ammunition or to pledge or accept as security for a loan any firearm or ammunition moving in or which is a part of interstate or foreign commerce, and which while so moving or constituting such part has been stolen, knowing, or having reasonable cause to believe the same to have been stolen.

(i) It shall be unlawful for any person to transport, ship, or knowingly receive in interstate or foreign commerce any firearm from which the manufacturer's serial number has been removed, obliterated, or altered, and the possession of any such firearm shall be presumptive evidence that such firearm was transported, shipped, or received, as the case may be, by the possessor in violation of this act.

SEC. 3. (a) Any manufacturer or dealer desiring a license to transport, ship, or receive firearms or ammunition in interstate or foreign commerce shall make application to the Secretary of the Treasury, who shall prescribe by rules and regulations the information to be contained in such application. The applicant shall, if a manufacturer, pay a fee of $25 per annum and, if a dealer, shall pay a fee of $1 per annum.

(b) Upon payment of the prescribed fee, the Secretary of the Treasury shall issue to such applicant a license which shall entitle the licensee to transport, ship, and receive firearms and ammunition in interstate and foreign commerce unless and until the license is suspended or revoked in accordance with the provisions of this act: *Provided*, That no license shall be issued to any applicant within two years after the revocation of a previous license.

(c) Whenever any licensee is convicted of a violation of any of the provisions of this act, it shall be the duty of the clerk of the court to notify the Secretary

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

of the Treasury within forty-eight hours after such conviction and said Secretary shall revoke such license: *Provided*, That in the case of appeal from such conviction the licensee may furnish a bond in the amount of $1,000, and upon receipt of such bond acceptable to the Secretary of the Treasury he may permit the licensee to continue business during the period of the appeal, or should the licensee refuse or neglect to furnish such bond, the Secretary of the Treasury shall suspend such license until he is notified by the clerk of the court of last appeal as to the final disposition of the case.

(d) Licensed dealers shall maintain such permanent records of importation, shipment, and other disposal of firearms and ammunition as the Secretary of the Treasury shall prescribe.

SEC. 4. The provisions of this act shall not apply with respect to the transportation, shipment, receipt, or importation of any firearm, or ammunition, sold or shipped to, or issued for the use of, (1) the United States or any department, independent establishment, or agency thereof; (2) any State, Territory, or possession, or the District of Columbia, or any department, independent establishment, agency, or any political subdivision thereof; (3) any duly commissioned officer or agent of the United States, a State, Territory, or possession, or the District of Columbia, or any political subdivision thereof; (4) or to any bank, public carrier, express, or armored-truck company organized and operating in good faith for the transportation of money and valuables; (5) or to any research laboratory designated by the Secretary of the Treasury: *Provided*, That such bank, public carriers, express, and armored-truck companies are granted exemption by the Secretary of the Treasury; nor to the transportation, shipment, or receipt of any antique or unserviceable firearms, or ammunition, possessed and held as curios or museum pieces: *Provided*, That nothing herein contained shall be construed to prevent shipments of firearms and ammunition to institutions, organizations, or persons to whom such firearms and ammunition may be lawfully delivered by the Secretary of War, nor to prevent the transportation of such firearms and ammunition so delivered by their lawful possessors while they are engaged in military training or in competitions.

SEC. 5. Any person violating any of the provisions of this act or any rules and regulations promulgated hereunder, or who makes any statement in applying for the license or exemption provided for in this act, knowing such statement to be false, shall, upon conviction thereof, be fined not more than $2,000, or imprisoned for not more than five years, or both.

SEC. 6. This act shall take effect thirty days after its enactment.

SEC. 7. The Secretary of the Treasury may prescribe such rules and regulations as he deems necessary to carry out the provisions of this act.

SEC. 8. Should any section or subsection of this act be declared unconstitutional, the remaining portion of the act shall remain in full force and effect.

SEC. 9. This act may be cited as the Federal Firearms Act.

Approved, June 30, 1938.

Exhibit 64

Joint resolution extending for two years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1940, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter

[Pub. Res. No. 98, 75th Cong., S. J. Res. 253]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 2 and subsection (f) of section 5 of the Settlement of War Claims Act of 1928, as amended, are further amended, respectively, by striking out the words "ten years" wherever such words appear therein and inserting in lieu thereof the words "twelve years".

SEC. 2. The first sentence of subsection (h) of section 6 of the Settlement of War Claims Act of 1928, as amended, is further amended to read as follows:

"No payment shall be made under this section unless application therefor is made by March 10, 1940, in accordance with such regulations as the Secretary of the Treasury may prescribe."

Approved, May 23, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit 65

Announcement of change in the daily Treasury statement beginning July 1, 1938, with respect to the financial transactions of the Reconstruction Finance Corporation, Commodity Credit Corporation, and Export-Import Bank of Washington

Effective July 1, 1938, the financial transactions of the Reconstruction Finance Corporation, Commodity Credit Corporation, and Export-Import Bank of Washington will be reflected on page 3 of daily Treasury statements. Heretofore, such transactions have been included in the expenditures on page 2 of daily Treasury statements (commonly associated with the Federal Budget) on a *net* basis; i. e., checks paid by the Treasurer of the United States less receipts deposited by such corporations in their disbursing accounts with the Treasurer. The purpose of this change is to simplify the daily Treasury statement, and to eliminate confusion and misunderstanding concerning the effect of such corporations' transactions on the Federal Budget, particularly in cases where the Treasury acts only in the nature of a depositary of funds derived by the corporations from the sale of their own obligations on the market.

Under the act of January 22, 1932, creating the Reconstruction Finance Corporation, it was contemplated that the Corporation's funds would be used only for loans and administrative expenses, and it was assumed that the latter would be taken care of through receipts from earnings. An appropriation from the General Fund of the Treasury in the amount of $500,000,000 was made for the purchase of capital stock of the Corporation. Expenditures from funds provided through such appropriation were reflected in the expenditures of the Government, as and when the Corporation's checks were paid by the Treasurer of the United States. It was assumed that the amount so charged in the budget would more than take care of losses, if any, sustained by the Corporation in connection with its lending activities. Pursuant to section 9 of the act, expenditures made by the Corporation from funds derived from the sale of its obligations to the Secretary of the Treasury were treated as public debt transactions and, therefore, were not included as expenditures in the Government's budget. This provision was based upon the assumption that the money loaned by the Reconstruction Finance Corporation from the proceeds of such obligations, when repaid, would be available for the retirement of the Corporation's obligations held by the Treasury and used by the Treasury to retire an equivalent amount of public debt obligations.

Effective July 1, 1933, this procedure was changed so that all operations of the Reconstruction Finance Corporation, including expenditures from funds derived through the sale of its obligations to the Treasury, were included in the Federal Budget, in the same manner as if the money had been appropriated by the Congress directly to the Reconstruction Finance Corporation, in accordance with customary procedure, for specified purposes. Although the change involved a departure from the previous practice of basing expenditures of the Federal Government upon direct appropriations made by the Congress for specified objects of expenditure, the change was justified because of the fact that under several laws enacted by the Congress subsequent to January 22, 1932, large sums of money were paid out by the Reconstruction Finance Corporation for grants under relief acts and for other purposes for which no provision had been made for repayment to the Corporation.

Under authority of the act of February 24, 1938, the Secretary of the Treasury canceled approximately $2,688,000,000 of the obligations purchased from the Reconstruction Finance Corporation pursuant to the act of January 22, 1932, as amended, with respect to which the Reconstruction Finance Corporation had no means of making repayment to the Treasury. It will continue to be the practice of the Treasury to include as budget expenditures moneys expended from funds allocated by the Reconstruction Finance Corporation on account of purposes or activities for which no provision has been made for repayment to the Treasury and which will be subject to the act of February 24, 1938.

On March 8, 1938, the President approved an act providing for an annual appraisal of the assets and liabilities of the Commodity Credit Corporation and authorized appropriations to restore the impairment of the Corporation's capital as a result of its operations. The first appropriation provided under this act was contained in the Deficiency Act of June 25, 1938, in the amount of $94,285,404.73. This appropriation is reflected as an expenditure on page 2 of the daily Treasury statement of June 30, 1938, under the caption "Agricultural Aid: Commodity Credit Corporation, Restoration of Capital Impairment." Under the procedure provided in that act the annual budget will be charged with the

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

amount of the impairment of the Corporation's capital. Except in such respect, the annual budget will not be affected by the operations of the Corporation.

During the fiscal year the Treasury expects to conclude arrangements with the Reconstruction Finance Corporation and other governmental corporations whereby the books of the Treasury will more adequately reflect the financial operations of such corporations, particularly with respect to their relations to Treasury financing and the Federal Budget. Upon the completion of such arrangements it is hoped that the Treasury will be in a position to publish monthly in daily Treasury statements a statement showing with respect to each corporation, when applicable, substantially the following:

I. Sources of funds:
   a. Appropriations from General Fund.
   b. Sale of obligations to Treasury.
   c. Sale of obligations in the market.
   d. Repayment of loans (principal).
   e. Other receipts.

II. Uses of funds:
   a. Administrative expenses.
   b. Loans.
   c. Investments.
   d. Allocations to other agencies.
   e. Other expenditures.

Exhibit 66

Letter of the Postmaster General to the Secretary of the Treasury, dated November 22, 1938, certifying extraordinary expenditures contributing to the deficiencies of postal revenues for the fiscal year 1938, in pursuance of Public No. 316, Seventy-first Congress, approved June 9, 1930 (46 Stat. 523)

WASHINGTON, D. C., *November 22, 1938.*

The Honorable the SECRETARY OF THE TREASURY.

MY DEAR MR. SECRETARY: In accordance with the provisions of the act of June 9, 1930, embodied in section 260, Postal Laws and Regulations, the amounts set forth below with respect to certain mailings during the fiscal year ended June 30, 1938, are certified to you in order that they may be separately classified on the books of the Treasury Department in stating the expenditures made from the appropriation to supply the deficiency of postal revenues:

(*a*) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by officers of the Government (other than those of the Post Office Department) under the penalty privilege, including registry fees:		
Postage	$34, 166, 571	
Registry fees, including surcharges	1, 524, 236	
		$35, 690, 807. 00
(*b*) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by:		
1. Members of Congress under the franking privilege	$779, 254	
2. By others under the franking privilege	115	
		779, 369. 00
(*c*) The estimated amount which would have been collected during the year at regular rates of postage on publications going free in the county		637, 150. 00
(*d*) The estimated amount which would have been collected at regular rates of postage on matter mailed free to the blind during the year		188, 091. 00
(*e*) The estimated difference between the postage revenue collected during the year on mailings of newspapers and periodicals published by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations, and that which would have been collected at zone rates of postage		271, 473. 89
(*f*) The estimated excess during the year of the cost of aircraft service over the postage revenues derived from air mail		5, 232, 796. 42
Total		42, 799, 687. 31

Jurisdiction over the ocean mail contract service was transferred to the United States Maritime Commission under the Merchant Marine Act of 1936, such transfer being effective June 30, 1937. Consequently, there is no expense credit for the item heretofore reported as "differentials favoring vessels for American registry."

Very truly yours,

JAMES A. FARLEY,
Postmaster General.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLES

104825—39———24

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

EXPLANATION OF BASES USED IN TABLES

Figures in the following tables are shown on various bases, namely: (1) Daily Treasury statements, unrevised (current cash); (2) daily Treasury statements, revised (actual); (3) warrants issued; (4) checks issued; and (5) collections reported by collecting officers.

Daily Treasury statements (unrevised) (receipts and expenditures).—The figures shown in the daily statement of the United States Treasury are compiled from the latest daily reports received by the Treasurer of the United States from Treasury officers and public depositaries holding Government funds. The daily Treasury statement, therefore, is a current report compiled from latest available information, and, by reason of the promptness with which the information is obtained and made public, it has come into general use as reflecting the financial operations of the Government covering a given period, and gives an accurate idea of the actual condition of the Treasury as far as it is ascertainable from day to day. This is known as "current cash basis", according to daily Treasury statements (unrevised). Table 3 (p. 379) shows receipts and expenditures on this basis. The current assets and liabilities of the Treasury and the outstanding public debt are also available on this basis.

Daily Treasury statements (revised) (receipts and expenditures).—On account of the distance of some of the Treasury offices and depositaries from the Treasury, it is obvious that the reports from all officers covering a particular day's transactions cannot be received and assembled in the Treasury at one time without delaying for several days the publication of the daily Treasury statement. It is necessary, therefore, in order to exhibit the actual receipts and expenditures for any given month or fiscal year, to take into consideration those reports covering the transactions for the last few days of the month or fiscal year concerned which have not been received in the Treasury until the succeeding month or fiscal year, and to eliminate receipts and expenditures relating to the preceding month. After taking into consideration these reports, the revised figures indicate the condition of the Treasury on the basis of actual transactions occurring during the period under review. This is known as "the basis of daily Treasury statements (revised)."

It is not practical to delay the publication of the daily Treasury statement in order to include the later reports, as the difference between the revised and the unrevised figures is not substantial. The unrevised figures as shown in current daily Treasury statements are the basis for the Budget estimates submitted to Congress by the President. The revised figures are of no practical use except to enable the use of a true General Fund balance on the monthly statement of the public debt of the United States and to bring the daily Treasury statement figures into agreement with the figures based on warrants issued. The table on page 234 shows total receipts and expenditures on this basis. The current assets and liabilities of the Treasury (p. 524) and the outstanding public debt (pp. 472 to 493) are also available on this basis.

Warrants issued (receipts).—Section 305 of the Revised Statutes provides that receipts for all moneys received by the Treasurer of the United States shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrants, so signed, no acknowledgment for money received into the Public Treasury shall be valid. The issuance of warrants by the Secretary of the Treasury, as provided by law, represents the formal covering of receipts into the Treasury.

Certificates of deposit covering actual deposits in Treasury offices and depositaries, upon which covering warrants are based, cannot reach the Treasury simultaneously, and for that reason all receipts for a fiscal year cannot be covered into the Treasury by warrants of the Secretary immediately upon the close of that fiscal year. It is necessary to have all certificates of deposit before a statement can be issued showing the total receipts for a particular fiscal year on a warrant basis. The figures thus compiled will agree with the figures compiled on the basis of daily Treasury statements (revised). The details in table 1 (p. 354) show receipts on this basis.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Warrants issued (expenditures).—The Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law. Section 305 of the Revised Statutes requires that the Treasurer of the United States shall disburse the moneys of the United States upon warrants drawn by the Secretary of the Treasury. As the warrants are issued by the Secretary they are charged against the appropriate appropriations provided by law. Some of these warrants do not represent actual payments to claimants, but are merely advances of funds to be placed to the credit of disbursing officers of the Government with the Treasurer of the United States for the payment of Government obligations. The disbursing officer then issues his check on the Treasurer in payment of such obligations. As far as the appropriation accounts are concerned, the warrants issued and charged thereto constitute expenditures, but it will be observed that such expenditures necessarily include unexpended balances to the credit of the disbursing officers. Statement of the expenditures on a warrant basis from 1789 to 1915 is shown on page 410 of this report.

Checks issued (expenditures).—This basis, more than any other, reflects the real expenditures of the Government. Expenditures for a given fiscal year on the basis of checks issued differ from the corresponding figures on the basis of warrants in that the former include expenditures made by disbursing officers from credits granted during the previous fiscal year, and exclude the amount of unexpended grants remaining to their credit at the end of the fiscal year. The basis of checks issued differs from the basis of the daily Treasury statement (revised) in that the former includes checks outstanding at the end of the fiscal year, and excludes unpaid checks outstanding at the beginning of the fiscal year. A detailed explanation of the basis of checks issued will be found on page 89 of the Secretary's report for 1927. Table 2 (p. 362) shows expenditures on this basis.

Collections reported by collecting officers (receipts).—Statements showing receipts on a collection basis are compiled from reports received by the various administrative offices from collecting officers in the field, such as collectors of internal revenue and collectors of customs. These reports cover the collections actually made by these officers during the period specified. The collections are then deposited in a designated Government depositary to the credit of the Treasurer of the United States, which depositary renders a report to the Treasurer. The reports of the collecting officers and the depositaries do not, of course, coincide, for the reason that the collecting officers make collections during the last few days of the fiscal year which are not deposited until after the close of the fiscal year. On this account the two reports do not agree. The receipts are reported on a collection basis merely for statistical purposes and to furnish information as to detailed sources of revenue. Classification of such items on the basis of deposits has been found to be impracticable and uneconomical. Tables 11 and 18 (pp. 425 and 442) show receipts on a collection basis.

DESCRIPTION OF ACCOUNTS THROUGH WHICH TREASURY OPERATIONS ARE EFFECTED

All receipts of the Government are covered into the General Fund of the Treasury from which all expenditures are made. Receipts and expenditures, however, are classified in the Treasury's records according to the class of accounts through which operations are effected. Transactions are segregated in order to exhibit separately those effected through general accounts, as contrasted with those effected through special and trust accounts representing restricted or specially allocated receipts and expenditures chargeable thereto. This classification was first shown in published records for 1927 for the warrants and checks-issued bases and on the daily Treasury statements beginning with the July 1, 1930, issue, in order to conform to the practice of the Bureau of the Budget. In some tables in this report, however, transactions in the three types of accounts are combined for purposes of historical comparison. A brief general explanation of the three classes of accounts is presented below.

General accounts.—The principal sources of general account receipts are income taxes, miscellaneous internal revenue, taxes under the Social Security Act, and customs duties. In addition, a large number of miscellaneous receipts come under this head, including such items as proceeds of Government-owned securities, (except those which are applicable to public debt retirement), sale of surplus and condemned property, Panama Canal tolls, fees (including consular and passport fees), fines, penalties, forfeitures, rentals, royalties, reimbursements, immigration

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

head tax, sale of public land, tax on national bank circulation, interest on public deposits, seigniorage on coinage of subsidiary silver and minor coins, etc. Moneys represented in the general accounts may be withdrawn from the Treasury only in pursuance of appropriations made by Congress. There are four classes of appropriations payable through the general accounts of the Treasury, namely: (*a*) Annual, being those made each year in the several departmental supply bills and limited for obligation during the fiscal year for which made; (*b*) continuing (no year) being available until expended or until the object for which appropriated has been accomplished, such as construction of public works; (*c*) permanent-specific, being fixed amounts provided for each of a series of years by permanent legislation, without annual action of Congress; and (*d*) permanent-indefinite, being indefinite amounts (so much as may be necessary) provided by permanent legislation without annual action of Congress, such as the indefinite appropriation to cover interest on the public debt.

A statement of general account receipts and expenditures is, therefore, in the nature of a general operating statement, and gives a picture of the relationship between the general revenues of the Government and the operating expenditures (including capital outlays and fixed charges) chargeable against them.

Special accounts.—Special account receipts may be generally defined as funds received under special authorizations of law which may be expended only for the particular purposes specified therein. Special account receipts may not be used for the general expenditures of the Government. The most important items of receipts included under this heading, from the standpoint of amounts, are those applicable to the retirement of the public debt. Other important special account receipts are the reclamation fund under the Department of the Interior, funds received for river and harbor improvements, and Forest Service cooperative funds. There are many other special account receipts of lesser importance.

Trust accounts.—Trust account receipts represent moneys received by the Government for the benefit of individuals or classes of individuals. Moneys held in trust, being payable to or for the use of beneficiaries only, are not available for general expenditures of the Government. There are several classes of trust account receipts, the beneficiaries under which may be either individuals or groups of individuals. The accounts may represent (*a*) moneys received directly from or for account of individuals, as in the case of moneys received from foreign governments or other sources in trust for citizens of the United States or others under the act of February 27, 1896; (*b*) moneys collected as revenues and held in trust, such as the proceeds of sales of Indian lands which are held as interest-bearing funds for the benefit of Indian tribes; and (*c*) proceeds of grants from the general accounts of the Treasury in pursuance of treaty or other obligations such as the perpetual trust fund created for the Ute Indians under section 5 of the act of June 15, 1880.

Checking accounts of governmental corporations.—The manner in which certain checking accounts of governmental corporations are handled in the daily statement of the Treasury is explained in the announcement appearing as exhibit 65, page 347.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

RECEIPTS AND EXPENDITURES

General tables

TABLE 1.—*Details of receipts, by sources and accounts, for the fiscal year 1938*

[Details on basis of warrants issued with totals adjusted to basis of daily Treasury statements (unrevised), see p. 351. For explanation of accounts, see p. 352]

Source	General and special accounts	Trust accounts
REVENUE		
Internal revenue:		
Income tax	$2,586,243,953.87	
Miscellaneous internal revenue taxes	2,326,954,632.07	
Unjust enrichment tax	5,683,839.10	
Taxes under Social Security Act:		
Title VIII	510,550,641.58	
Title IX	90,127,341.99	
Taxes upon carriers and their employees	150,126,956.94	
Processing tax on farm products	11.15	
Total internal revenue, warrants-issued basis	5,669,687,376.70	
Adjustment between warrants issued and cash receipts	4,631,059.96	
Total internal revenue, cash receipts	5,674,318,436.66	
Customs:		
Customs duties, warrants-issued basis	357,920,122.21	
Adjustment between warrants issued and cash receipts	1,267,127.36	
Total customs duties, cash receipts	359,187,249.57	
Sales of public lands (included in nonrevenue receipts, p. 358).		
Miscellaneous:		
Miscellaneous taxes:		
Federal intermediate credit banks franchise tax	741,274.93	
Tonnage tax	1,781,252.46	
Immigration head tax	1,110,401.01	
Taxes, Canal Zone	71,115.39	
Total miscellaneous taxes	3,704,043.79	
Interest, exchange, and dividends:		
Interest on deferred collections or payments	95,390.72	
Interest on bonds of foreign governments under funding agreements	513,773.24	
Interest on obligations of Reconstruction Finance Corporation	24,297,046.94	
Interest on securities received from Reconstruction Finance Corporation under act February 24, 1938	2,951.52	
Interest on loans, Puerto Rico Hurricane Relief Commission	1,565.73	
Interest on loans to States, municipalities, etc., Public Works Administration	2,074,758.35	
Interest on loans, Housing Corporation	18,383.47	
Interest and profits on Federal Farm Mortgage Corporation bonds	23,373.29	
Interest earned on Home Owners' Loan Corporation bonds	26,259.15	
Interest on loans, Rural Electrification Administration	11,892.29	
Interest on advances to Colorado River Dam fund, Boulder Canyon project	2,100,000.00	
Interest on homestead loans; Virgin Islands	2,346.96	
Interest on loans, relief in stricken agricultural areas	284,987.82	
Interest on emergency crop loans, Farm Credit Administration (emergency relief)	19,824.52	
Interest collections of Farm Security Administration (emergency relief)	1,221,805.19	
Interest on farmers' seed loans	180,577.24	
Interest on public deposits	35,713.13	
Interest on construction costs of public works in Colon and Panama, War Department	40,330.54	
Interest on Government-owned securities (War and Navy Departments)	100,328.97	
Interest on miscellaneous obligations	24,009.72	
Gain by exchange	70,045.15	
Dividends on capital stock of Federal home loan banks	1,866,882.25	
Dividends on capital stock of the Panama R. R. owned by the United States	350,000.00	
Dividends on shares of Federal savings and loan associations	1,738,675.64	
Earnings from payments to Federal Reserve banks for industrial loans	176,829.66	
Earnings, War Finance Corporation	16,000.00	

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 1.—*Details of receipts, by sources and accounts, for the fiscal year 1938*—Con.

Source	General and special accounts	Trust accounts
REVENUE—continued		
Miscellaneous—Continued.		
Interest, exchange, and dividends—Continued.		
Military and naval insurance, Veterans' Administration (repayments to appropriations)	[1] $899,356.04	
Federal control of transportation systems (repayments to appropriations)	[1] 2,600.55	
Loans to railroads after termination of Federal control (repayments to appropriations)	[1] 64,075.11	
Total interest, exchange, and dividends	36,259,783.19	
Fines and penalties:		
Canal Zone	14,405.80	
Customs Service	1,635,259.74	
Enforcement of National Prohibition Act (Judicial)	16,120.25	
Immigration Service	98,266.60	
Judicial	501,843.96	
Liquidated damages	158,252.43	
Navigation	79,905.65	
Recovery of value of oil in case of United States against Pan American Petroleum Co	13,278.43	
Violating regulations and 8-hour law of 1912	128,936.93	
Violations, Federal Alcohol Administration Act	44,316.00	
Other	29,597.14	
Total fines and penalties	2,720,182.93	
Fees:		
Agricultural Commodities Act	198,516.23	
Alaska game laws	22,576.76	
Alaska Road Commission	3,714.35	
Board of Tax Appeals	47,224.05	
Canal Zone	2,470.98	
Clerks, United States courts	1,207,606.62	
Commodity Exchange Act	35,538.00	
Commissions on telephone pay stations in Federal buildings and rented post offices	82,540.72	
Consular and passport	4,380,454.38	
Copying	36,538.11	
Copyright	297,096.40	
Court of Claims	5,859.30	
Court of Customs and Patent Appeals	6,476.55	
Credit union	64,146.73	
Customs	10,666.10	
Grazing	4,649.56	
Immigration (registry earned)	97,120.10	
Indian lands and timber	134,866.98	
Land offices (including commissions)	84,038.12	
Marshals, United States courts	50,712.75	
Migratory bird hunting stamps	770,971.00	
Naturalization (earned)	1,455,754.50	
Naval stores grading	9,419.53	
Navigation	186,172.08	
Patent (earned)	4,346,859.74	
Purchase of Army discharges	699,147.34	
Perry's Victory Memorial	3,967.95	
Registration, securities and exchanges	806,525.82	
Registration under Neutrality Act	8,500.00	
Testing	116,882.68	
Warehouse Act	24,390.00	
Other	27,869.82	
Total fees	15,229,273.25	
Forfeitures:		
Bonds of aliens, contractors, etc	528,944.23	
Bribes to United States officers	3,568.71	
Customs Service	735,441.28	
Judicial, miscellaneous	427.45	
Under enforcement of National Prohibition Act	1,356.23	
Unclaimed moneys and wages remaining in registry of courts	160,475.41	
Unclaimed merchandise	71,175.71	
Unclaimed funds	632.37	
Unexplained balances in cash account	526.11	
Other	20,279.47	
Total forfeitures	1,522,826.97	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 1.—*Details of receipts, by sources and accounts, for the fiscal year 1938*—Con.

Source	General and special accounts	Trust accounts
REVENUE—continued		
Miscellaneous—Continued.		
Assessments:		
Immigration, overtime service	$127,931.23	
Overtime service, marine inspection and navigation	42,822.27	
Colorado River Dam fund, Boulder Canyon project	2,136,903.19	
Revenues, Colorado River Dam fund, All-American Canal	456.32	
Deposits for establishing wool standards	47,422.78	
On Federal and joint stock land banks, and Federal intermediate credit banks for expenses of examinations, Farm Credit Administration	561,197.38	
On Federal home loan banks and receipts from other sources for salaries and expenses, Federal Home Loan Bank Board	1,297,613.18	
Furlough and compensation deductions and vacancy savings (special deposit accounts)	104.29	
Total assessments	4,214,450.64	
Reimbursements;		
Collections under Grain Standards Act	107,492.24	
Collections under Cotton Standards Act	231,571.47	
Reclamation fund, collections	4,521,713.64	
Cost of administration, Federal Power Act	372,253.47	
For excess cost over contract price	240,282.78	
By District of Columbia for advances for acquisition of lands under sec. 4, act May 29, 1930, as amended	300,000.00	
Maintenance of District of Columbia inmates in Federal penal and correctional institutions	167,901.64	
Construction charges (Indian Service)	45,266.20	
Costs from estates of deceased Indians	48,605.98	
Maintenance, operation, and irrigation charges, irrigation systems, Indian Service	645,413.93	
Of appropriations made for Indian tribes	139,206.10	
Expenses, miscellaneous	65,363.06	
Expenses of redeeming national currency	129,136.10	
Expenses of international service of ice observation and patrol	153,638.00	
Expenses, settlement of claims between United States and Turkey	70,891.06	
Gasoline State tax	2,452.39	
Government property lost or damaged	1,104,075.19	
Hospitalization charges and expenses	165,013.01	
Inspection of food and farm products	297,606.80	
Refunds on empty containers	7,156.31	
Refund, State and local taxes	682.00	
Settlement of claims against various depositors	761.88	
Transportation	42,509.98	
Other	62,587.95	
Total reimbursements	8,921,581.18	
Gifts and contributions:		
Bequest of James Reuel Smith for redemption of Liberty bonds issued in 1918	110,000.00	
Donations to the United States	234,701.77	
Moneys received from known and unknown persons	8,157.43	
Return of grants, Farm Security Administration	1,616.26	
Total gifts and contributions	354,475.46	
Sales of Government property—products:		
Scrap and salvaged materials, condemned stores, waste paper, refuse, etc	3,229,772.12	
Agricultural products, including livestock and livestock products	71,849.99	
Card indexes, Library of Congress	281,314.42	
Dairy products	50,482.46	
Electric current, power plant, Coolidge Dam, Ariz	115,863.51	
Electric current	70,763.82	
Gas from helium plants	42,533.78	
Heat, light, and power	68,416.30	
Hides, Federal Surplus Commodities Corporation	[2] 5,967,533.20	[1]
Ice	53,865.44	
Occupational-therapy products	45,339.38	
Photo duplications	35,702.79	
Proceeds, activities fund, United States naval prisons	8,130.00	
Public documents, charts, maps, etc	747,863.61	
Seal and fox skins, and furs	324,626.07	
Stores	26,154.54	
Subsistence (meals, rations, etc.)	101,122.78	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 1.—*Details of receipts, by sources and accounts, for the fiscal year 1938*—Con.

Source	General and special accounts	Trust accounts
REVENUE—continued		
Miscellaneous—Continued.		
Sales of Government property—products—Continued.		
Under Migratory Bird Conservation Act	$61,766.79	
Water	53,913.18	
Other	313,936.63	
Total sales of Government property—products	11,670,950.81	
Sales of services:		
Alaska Railroad fund receipts	2,473,669.00	
Copies of hearings	3,352.91	
Earnings by United States transports	33,317.70	
Earnings from business operations	101,106.50	
Fumigating and disinfecting	41,226.34	
Laundry and dry-cleaning operations	1,245,675.89	
Medical, dental, and hospital services	10,100.59	
Overhead charges on sales of services or supplies (War, Navy Departments, and Civilian Conservation Corps)	90,498.04	
Professional and scientific	12,996.17	
Quarantine charges (including fumigation, disinfection, inspection, etc., of vessels)	220,119.25	
Quarters, subsistence, and laundry service	36,025.67	
Radio service	38,010.14	
Storage and other charges	156,109.75	
Telephone and telegraph	374,184.04	
Tolls and profits, Panama Canal	24,094,800.21	
Work done for individuals, corporations, et al	77,304.23	
Net savings on shipping expenses in connection with gold acquired in London and released to the Bank of England for an equivalent amount of gold in New York	179,109.52	
Other	8,166.10	
Total sales of services	29,195,772.05	
Rents and royalties:		
Rent of public buildings, grounds, etc	298,667.73	
Rent of land	578,280.54	
Receipts under mineral leasing acts	6,532,782.71	
Royalties on oil, gas, etc	1,173,236.76	
Annette Islands reserve, leases, Alaska	14,857.02	
Rent of docks, wharves, and piers	18,458.69	
Rent of equipment	75,291.45	
Rent of telegraph and telephone facilities	10,724.74	
Rentals from property under foreclosure proceedings	33,064.59	
Rent of water-power sites	145,987.50	
Pipe-line rentals	16,250.00	
Other	1,763.27	
Total rents and royalties	8,899,365.00	
Permits, privileges, and licenses:		
Alaska fund	254,423.68	
Business concessions	226,154.98	
Immigration reentry permits (earned)	146,717.15	
Licenses under Federal Water Power Act	313,587.43	(3)
Permits to operate motor vehicles	45,512.50	
Permits to enter national parks	1,211,672.27	
Pipe-line water and power-transmission rights	18,287.36	
Range improvements	346,464.67	
Receipts from public lands under Grazing Act, June 28, 1934	164,825.22	
Other	6,519.48	
Total permits, privileges, and licenses	2,734,164.74	
Mint receipts:		
Profits on coinage, bullion deposits, etc	3,241,973.38	
Seigniorage	35,583,958.83	
Total mint receipts	38,825,932.21	
Forest reserve fund	4,680,625.74	
Deposits, postal funds, Canal Zone	310,383.84	
United States share of District of Columbia receipts	233,515.28	
Total miscellaneous revenue receipts	169,477,327.08	
Total revenue receipts, warrants-issued basis	6,197,084,825.99	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 1.—*Details of receipts, by sources and accounts, for the fiscal year 1938*—Con.

Source	General and special accounts	Trust accounts
NONREVENUE		
Miscellaneous—Realization upon assets:		
Repayments of investments:		
Collections of loans, Federal Housing Administration	$1,173,545.04	
Construction costs of public works in Colon and Panama	56,384.67	
Payments for marketing excess tobacco, Agricultural Adjustment Administration	404,291.93	
Excess proceeds of sale of cotton acquired by Secretary of Agriculture, act June 19, 1934	152.83	
Principal of bonds of foreign governments under funding agreements	74,297.58	
Principal payments on low-cost houses, Virgin Islands	2,006.80	
Principal payments on loans, Puerto Rico Hurricane Relief Commission	2,609.72	
Principal on securities received from Reconstruction Finance Corporation under act Feb. 24, 1938	26,223.00	
Repayment of principal on account of loans to States, municipalities, etc., Public Works Administration	2,546,356.83	
Repayment of principal on emergency crop loans, Farm Credit Administration	2,927,046.05	
Repayment of principal on account of loans, Rural Electrification Administration	13,010.89	
Repayment of principal on account of loans, Farm Security Administration	26,117,503.95	
Sale of chattels, Farm Security Administration (emergency relief)	73,836.51	
Repayment of loans to veterans for transportation	154.34	
Repayment of principal on loans for Indian rehabilitation (emergency relief)	8,438.51	
Repayment of subscriptions to preferred shares, Federal savings and loan associations	381,000.00	
Repayment of principal of Government-owned securities, sale of war supplies	8,796.45	
Return of advances made to reclamation fund	(1)	
Other	150.95	
Total repayments of investments	33,815,806.05	
Sales of public lands	95,649.08	
Sales of Government property:		
Capital equipment, includes trucks, horses, cars, machinery, furniture and fixtures, and other capital equipment	366,896.10	
Land and buildings	1,493,625.50	
Lands, etc., on account of military-post construction fund	574,174.72	
Office material, etc. (Procurement Division)	28,493.75	
Proceeds of sales of vessels for the Coast Guard	27,261.00	
Proceeds of sales, Coast Guard stations	3,156.64	
Coos Bay wagon-road grant fund	153,818.90	
Oregon and California land-grant fund	546,842.71	
Ordnance material (war)	83,730.70	
War supplies	62,552.75	
Other	6,811.73	
Total sales of Government property	3,347,364.50	
Miscellaneous:		
Trust accounts:		
Alaska railroad retirement and disability fund:		
Contributions		$149,112.40
Interest on investments		10,972.28
Canal Zone retirement fund:		
Contributions		508,622.55
Interest on investments		145,882.53
Civil service retirement fund:		
Contributions		37,322,049.95
Interest on investments		16,635,825.67
Foreign service retirement fund:		
Contributions		190,248.95
Interest on investments		133,896.55
Government life insurance fund		93,646,804.79
Library of Congress trust fund, permanent loan account		419,399.36
Library of Congress gift fund		88,178.60
Library of Congress trust fund, investment account		46,126.60
Contributions to Library of Congress, Chamber of Music Auditorium		30,000.00
Deposits, unearned proceeds of sale of publications, Superintendent of Documents, Government Printing Office		508,844.99

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 1.—*Details of receipts, by sources and accounts, for the fiscal year 1938*—Con.

Source	General and special accounts	Trust accounts
NONREVENUE—continued		
Miscellaneous—Continued.		
Trust accounts—Continued.		
Relief and rehabilitation, and interest on investments, Employees' Compensation Commission		$35,336.95
Public works housing receipts (Federal Emergency Administration of Public Works)		328,405.57
Withholdings from contractors for wage adjustments, act Aug. 30, 1935		4,691.72
Deposits for cooperative work, Northwest Territory Celebration Commission		8,308.40
Deposits, general post funds, national homes, Veterans' Administration		77,420.64
Deposits of unclaimed moneys of former patients, Veterans' Administration hospitals		26.53
Deposits, funds due incompetent beneficiaries, Veterans' Administration		168,225.93
Deposits, personal funds of patients, Veterans' Administration		2,136,338.26
Adjusted service certificate fund:		
Interest on investments		1,469,928.77
Interest on loans		5,281.97
Receipts, Welfare and Recreational Association, of public buildings and grounds		2,477,691.46
Deposits of miscellaneous contributed funds, Department of Agriculture		102,023.63
Deductions from agricultural conservation payments, Farm Security Administration		6,075.42
Deposits, Farm Security Administration, assets of State rural rehabilitation corporations		5,835,489.38
Deposits, Farm Security rural rehabilitation projects, Farm Security Administration		665,770.17
Deposits, sea food inspection fees, Food and Drug Administration		7,168.50
Deposits, unearned grazing fees, Farm Security Administration		22,327.09
Deposits, unearned fees and other charges, sec. 8a (4), Commodity Exchange Act		[5] *17,002.00*
Proceeds from sale of hides (Federal Surplus Commodities Corporation)		[6] *5,967,533.20*
Deposits of undistributed cotton price adjustment payments		10,706.18
Forest Service cooperative work		1,072,635.41
Advances, fox and fur seal industries, Pribilof Islands		55,000.00
Deposits, special statistical work, Department of Commerce		17,871.77
Deposits, unearned fees, Patent Office		13,422.55
Tonnage tax, Philippine Islands		20,163.68
Personal funds of patients, St. Elizabeths Hospital		116,555.44
Pension money, St. Elizabeths Hospital		85,710.27
Deposits, public survey work		12,259.11
Deposits, unearned proceeds, lands, etc., General Land Office		202,171.54
Indian moneys:		
Proceeds of labor, act June 13, 1930		1,552,517.56
Proceeds of labor, agencies, schools, etc		281,771.49
Oil and gas leases, etc., Osage Reservation, Okla		3,649,833.78
Proceeds of sales and leases of Indian lands, etc		1,110,890.99
Deposits, leases, etc., Annette Islands Reserve, Alaska		100,337.91
Other		3,050.90
Proceeds of licenses under Federal Water Power Act from Indian reservations, act June 10, 1920		22,947.14
Contributions for roads, bridges, and related works, Alaska		101,414.34
Contributions to reclamation fund		3,390,000.00
Donations, National Park Service for lands, etc		76,686.88
Interest on endowment fund, preservation of birthplace of Abraham Lincoln		2,040.00
Deposits of commissary funds, Federal prisons		305,203.86
Deposits of funds of Federal prisoners		586,542.86
Deposits of collections, clerks of United States district courts		3,307,171.78
Deposits of collections, United States marshals		397,830.53
Deposits of collections, clerks of United States Circuit Courts of Appeals		38,035.94
Deposits, unearned immigration (registry) fees, Department of Labor		41,090.10
Deposits, unearned naturalization fees, Department of Labor		86,858.96
Deposits, unearned immigration (reentry) permit fees, Department of Labor		25,673.05
Deposits of funds of aliens who become public charges		4,027.95

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 1.—*Details of receipts, by sources and accounts, for the fiscal year 1938*—Con.

Source	General and special accounts	Trust accounts
NONREVENUE—continued		
Miscellaneous—Continued.		
Trust accounts—Continued.		
Deposits to secure payment of fines and passage money, Immigration and Naturalization Service		$86,741.00
Funds advanced to United States Employment Service by District Unemployment Compensation Board		85,367.28
Naval fines and forfeitures		287,003.84
Naval hospital fund		1,319,613.06
Profit from sale of ships' stores, Navy		303,513.59
Pay of the Navy, deposit fund		101,828.25
Pay of the Marine Corps, deposit fund		189,559.23
Proceeds, civic fund, naval reservation, Olongapo		25,066.57
Contributions to United States Naval Academy Museum fund		150,000.00
Deposits, unearned passport and application fees, Department of State		[3] *344,237.39*
Estates of decedents		2,846.12
Miscellaneous trust funds, Department of State		[3] *52,662.07*
Settlement of claims, Special Claims Commission, under article 2 of convention, Apr. 24, 1934, between the United States and Mexico		529,610.15
Settlement of claims against Canada due to damages in State of Washington by fumes from smelter at Trail, British Columbia, under Article III, convention of Apr. 15, 1935, between United States and Canada (act Feb. 27, 1896, 29 Stat. 32)		78,179.51
Deposit of Japanese indemnity in settlement of claims growing out of sinking of U. S. S. *Panay* and Standard Vacuum Oil Co. vessels		2,214,007.36
Deposits for expenses, Treasury Department, enforcement title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands		23,000.00
Deposits of personal funds and earnings of inmates, Narcotic Farm, Public Health Service		23,885.56
Unclaimed moneys of individuals whose whereabouts are unknown		73,820.98
Contributions to National Cancer Institute, conditional gift fund		120.00
Contributions and interest on investments, National Institute of Health, conditional gift fund		8,674.23
Internal Revenue, Puerto Rico collections		19,326.51
Internal Revenue, coconut oil tax, Philippine Islands		14,203,377.67
Internal Revenue, Philippine Islands, collections		694,424.03
Additional income tax on railroads in Alaska		(7)
Customs duties, Philippine Islands		99,264.59
Deposits, Philippine trust fund, Customs Service		10,000.00
Withheld pay, Army, maintenance, United States Soldiers' Home		486,797.02
Pay of the Army, deposit fund		1,666,439.37
Soldiers' Home permanent fund		439,123.98
Proceeds from estates of deceased soldiers		60,642.33
Civilian Conservation Corps, withheld cash allowances		4,450,650.84
Proceeds, estates of deceased enrolled members, Civilian Conservation Corps		92.20
Interest on investments, bequest of Maj. Gen. Fred C. Ainsworth to Walter Reed General Hospital		278.87
Contributions for river and harbor improvements		811,900.00
Advance of funds for river and harbor improvements		512,000.00
Contributions for flood control		1,616,371.85
Contributions for sewerage system, etc., Fort Monroe, Va		18,527.25
Other trust accounts		10,518.69
Total trust accounts, exclusive of the District of Columbia		204,092,034.85

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 1.—*Details of receipts, by sources and accounts, for the fiscal year 1938*—Con.

Source	General and special accounts	Trust accounts
NONREVENUE—continued		
Miscellaneous—Continued.		
Trust accounts—Continued.		
District of Columbia:		
Revenue receipts:		
District of Columbia share		$42,079,620.94
United States share	[8]	
Nonrevenue receipts:		
District of Columbia share		3,067,679.50
Total District of Columbia receipts		[9] 45,147,300.44
Total nonrevenue receipts	$37,258,819.63	249,245,335.29
Total miscellaneous revenue receipts	169,477,327.08	
Total miscellaneous revenue and nonrevenue receipts, including Panama Canal and sales of public lands, warrants-issued basis	206,736,146.71	249,245,335.29
Adjustment to basis of daily Treasury statements (unrevised)	1,419,394.05	*815,418.23*
Total miscellaneous revenue and nonrevenue receipts, including Panama Canal and sales of public lands, cash basis	208,155,540.76	248,429,917.06
Total receipts, warrants-issued basis:		
Revenue receipts	6,197,084,825.99	
Nonrevenue receipts	37,258,819.63	249,245,335.29
	6,234,343,645.62	249,245,335.29
Increment resulting from reduction in the weight of the gold dollar		1,095,128.89
Seigniorage [10]		90,351,012.40
Old-age reserve account (interest on investments)		15,412,232.89
Railroad retirement account (interest on investments)		1,410,821.92
Total receipts, warrants-issued basis	6,234,343,645.62	357,514,531.39
Transfers from General Fund:		
Civil service retirement fund (United States and District of Columbia share)		73,234,760.00
Foreign service retirement fund (United States share)		188,000.00
Canal Zone retirement fund (United States share)		500,000.00
Alaska Railroad retirement fund (United States share)		175,000.00
Old-age reserve account		387,000,000.00
Railroad retirement account		146,406,307.87
	6,234,343,645.62	965,018,599.26
Unemployment trust fund		763,985,917.64
	6,234,343,645.62	1,729,004,516.90
Adjustment to basis of daily Treasury statements (unrevised)	7,317,581.37	*1,972,823.60*
Total receipts on basis of daily Treasury statements (unrevised)	6,241,661,226.99	1,727,031,693.30

[1] Items of this character represent casb receipts credited to appropriation.
[2] See counter-entry for like amount under trust account following for adjustment of receipts, per decision of Comptroller General (A-76242), dated July 1, 1937. $5,072,005.11 was carried to the surplus fund of the Treasury during the fiscal year 1938, under the trust account, "Expenses, sale of hides, Federal Surplus Commodities Corporation," Department of Agriculture.
[3] See trust accounts following.
[4] The act of May 9, 1938 (52 Stat. 322), provides that the transactions provided for under the acts of June 25, 1910, and Mar. 3, 1931, as amended, shall be deemed to have effected a complete reimbursement to the general funds in the Treasury of all sums advanced to the reclamation fund under the provisions of such acts.
[5] Debit item, deduct.
[6] See note 2.
[7] Included in internal revenue receipts.
[8] The item of $233,515.28, United States revenue, is shown under revenue receipts, p. 357.
[9] Exclusive of $233,515.28 referred to in note 8.
[10] Represents seigniorage resulting from the issuance of silver certificates equal to the cost of the silver acquired under the Silver Purchase Act of 1934 and the amount returned for the silver received under the President's proclamation dated Aug. 9, 1934.

NOTE.—Excess credits and adjustments in italics to be deducted.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*

[Details on basis of checks issued, totals adjusted to daily Treasury statements (unrevised), see p. 351. For explanation of accounts, see p. 352]

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
LEGISLATIVE				
U. S. Senate	$3,778,841.45		$3,778,841.45	
House of Representatives	8,474,374.19		8,474,374.19	
Legislative, miscellaneous	278,614.04		278,614.04	
Architect of the Capitol	6,863,615.47	$325,634.33	7,189,249.80	$257.14
Botanic Garden	107,776.06		107,776.06	
Library of Congress	2,630,768.71	170,256.01	2,801,024.72	133,709.85
Government Printing Office	3,649,601.29		3,649,601.29	564,796.50
Total, legislative, checks-issued basis	25,783,591.21	495,890.34	26,279,481.55	698,763.49
Adjustment between checks issued and cash expenditures	*5,651.61*	20,004.83	16,353.22	
Total, legislative, cash basis	25,779,939.60	515,895.17	26,295,834.77	(1)
EXECUTIVE OFFICE				
Executive Office, checks-issued basis	478,566.72		478,566.72	
Adjustment between checks issued and cash expenditures	452.96		452.96	
Total, Executive Office, cash basis	479,019.68		479,019.68	
INDEPENDENT OFFICES				
Alley Dwelling Authority		(2)		
American Battle Monuments Commission	236,988.86		236,988.86	
Board of Tax Appeals	512,076.54		512,076.54	*5,131.40*
California Pacific International Exposition	868.28		868.28	
Central Statistical Board	87,317.54		87,317.54	
Census of partial employment, unemployment, and occupations		1,777,260.10	1,777,260.10	
Civil Service Commission	2,459,579.39	*11.12*	2,459,568.27	54,282,798.91
Civilian Conservation Corps	(3)	(3)		
Commodity Credit Corporation		(3)		
Electric Home and Farm Authority, Inc.	187.50		187.50	
Employees' Compensation Commission	4,704,109.83	5,228,396.36	9,932,506.19	23,442.57
Export-Import Banks of Washington		(4)		
Farm Credit Administration	(5)	(5)		
Federal Civil Works Administration	(3)	(3)		
Federal Communications Commission	1,841,591.04		1,841,591.04	7,082.71
Federal Coordinator of Transportation	340.37	11,016.75	11,357.12	
Federal Deposit Insurance Corporation	1,806.31		1,806.31	
Federal Emergency Administration of Public Works		(3)		
Federal Emergency Housing		(3)		
Federal Emergency Relief Administration		(3)		
Federal Home Loan Bank Board	1,268,802.98	(6)	1,268,802.98	15,622.65
Federal Housing Administration	(3)	(3)		
Federal Power Commission	1,450,364.85	34.97	1,450,399.82	141.01
Federal Prison Industries, Inc.	*672,734.65*		*672,734.65*	
Federal Reserve Board	*9.84*		*9.84*	
Federal Surplus Commodities Corporation		(7)		
Federal Trade Commission	1,852,862.62		1,852,862.62	*153.49*
General Accounting Office	5,279,982.30	4,361,835.53	9,641,817.83	7,959.30
George Washington Bicentennial Commission	63,692.83		63,692.83	
Golden Gate International Exposition	72,508.03		72,508.03	
Great Lakes Exposition	152,062.81		152,062.81	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
INDEPENDENT OFFICES—contd.				
Greater Texas and Pan American Exposition	$556,471.45		$556,471.45	
Home Owners' Loan Corporation	[8]			
Interstate Commerce Commission	9,474,156.46		9,474,156.46	$771.97
National Advisory Committee for Aeronautics	2,104,561.22	$6,366.15	2,110,927.37	6,040.33
National Archives	716,308.76		716,308.76	*116.54*
National Capital Park and Planning Commission	462,297.51		462,297.51	
National Emergency Council	12.06	682,151.20	682,163.26	
National Industrial Recovery Administration		[3]		
National Labor Relations Board	2,318,642.87	18,900.37	2,337,543.24	
National Mediation Board	365,948.26		365,948.26	
National Resources Committee	11,429.08	723,048.94	734,478.02	
New York World's Fair	198,395.35		198,395.35	
Northwest Territory Celebration Commission	73,813.33		73,813.33	3,318.56
Office of Coordinator for Industrial Cooperation		8,101.41	8,101.41	
Office of Special Adviser to the President on Foreign Trade		.47	.47	
Pan American Exposition	45,000.00		45,000.00	
Prison Industries Reorganization Administration		122,487.34	122,487.34	
Railroad Administration and Transportation Act	61,404.61		61,404.61	
Railroad Retirement Board	[5]			[5]
Rural Electrification Administration		[3]		
Securities and Exchange Commission	3,684,576.56		3,684,576.56	110,161.67
Smithsonian Institution	903,813.05		903,813.05	*205.42*
Social Security Board	[5]			
Thomas Jefferson Memorial Commission	12,905.63		12,905.63	
Tennessee Valley Authority	[3]	[3]		
Texas Centennial Exposition	12,081.67		12,081.67	
U. S. Fuel Administration	3,311.31		3,311.31	
U. S. Maritime Commission	[5]			
U. S. Shipping Board Bureau	[9]			
U. S. Supreme Court Building Commission	120,352.82		120,352.82	
U. S. Tariff Commission	919,569.16		919,569.16	374.46
Veterans' Administration	[5]	[5]		
War Finance Corporation	8,092.72		8,092.72	
Welfare and Recreational Association of Public Buildings and Grounds				2,542,314.09
Works Progress Administration		[3]		
Miscellaneous commissions, boards, etc.:				
Charles Carroll of Carrollton Bicentenary Commission	10,405.10		10,405.10	
District of Columbia Airport Commission	*3,609.82*		*3,609.82*	
Operations under Mineral Act of Oct. 5, 1918	1,520.03		1,520.03	
Protection of interests of United States in leases on oil lands in former naval reserves	25,285.34		25,285.34	
Other	*208.08*		*208.08*	
Special deposit accounts				4,332.44
Subtotal, above independent offices, checks-issued basis	41,398,934.54	12,939,587.53	54,338,522.07	56,997,209.88
Adjustment between checks issued and cash expenditures	184,268.25	125,553.80	309,822.05	
Subtotal, above independent offices, cash basis	41,583,202.79	13,065,141.33	54,648,344.12	[1]

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
INDEPENDENT OFFICES—contd.				
Social Security Board [10]				
Administrative expenses	$22,664,121.48		$22,664,121.48	
Grants to States	258,275,313.97		258,275,313.97	
Special deposit account				*$75,312.55*
Subtotal, checks-issued basis	280,939,435.45		280,939,435.45	*75,312.55*
Adjustment between checks issued and cash expenditures	*6,556,655.55*		*6,556,655.55*	
Subtotal, cash basis	274,382,779.90		274,382,779.90	(1)
U. S. Maritime Commission				
U. S. Maritime Commission U. S. Shipping Board Bureau	[11] 989,740.84		989,740.84	*123,947.18*
Adjustment between checks issued and cash expenditures	33,810.52		33,810.52	
Subtotal, cash basis	1,023,551.36		1,023,551.36	(1)
Veterans' Administration				
Salaries and expenses	85,736,151.78		85,736,151.78	
Administrative expenses, Adjusted Compensation Payment Act, 1936, Veterans' Administration	14,168.94		14,168.94	
Adjusted service and dependent pay	1,352,634.16		1,352,634.16	
Hospital and domiciliary facilities and services	9,311,343.36		9,311,343.36	
Military and naval compensation	*31,005.90*		*31,005.90*	
Military and naval insurance	83,329,967.65		83,329,967.65	
Emergency Relief, Veterans' Administration;				
Administrative expenses		$6.75	6.75	
Construction and improvement of buildings, etc		1,212.51	1,212.51	
Highways, roads, streets, public buildings, etc		241,546.59	241,546.59	
National Industrial Recovery, Veterans' Administration		35,607.12	35,607.12	
Printing and binding	128,368.28		128,368.28	
Army and Navy pensions	402,779,082.79		402,779,082.79	
Private relief acts	11,863.57		11,863.57	
Miscellaneous items	9,308.38		9,308.38	2,340,477.68
Special deposit accounts				*88,395.80*
Subtotal, Veterans' Administration, exclusive of adjusted service certificate fund and Government life insurance fund, checks-issued basis	582,641,883.01	278,372.97	582,920,255.98	2,252,081.88
Adjustment between checks issued and cash expenditures	*877,219.71*	*65,301.36*	*942,521.07*	
Subtotal, Veterans' Administration, exclusive of adjusted service certificate fund and Government life insurance fund, cash basis	581,764,663.30	213,071.61	581,977,734.91	(1)
Adjusted service certificate fund	607,828.04		607,828.04	1,431,143.02
Government life insurance fund				113,910,406.58
Subtotal, checks-issued basis	607,828.04		607,828.04	115,341,549.60
Adjustment between checks issued and cash expenditures	*607,828.04*		*607,828.04*	646,714.04
Subtotal, cash basis				115,938,263.64
Total, Veterans' Administration, cash basis	581,764,663.30	213,071.61	581,977,734.91	(1)

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
INDEPENDENT OFFICES—contd.				
Farm Credit Administration				
Salaries and expenses	$6,624,493.56		$6,624,493.56	
Agricultural marketing revolving fund	*1,333,974.25*	*$510,800.45*	*1,844,774.70*	
Agricultural credits and rehabilitation, emergency relief	*490,172.13*		*490,172.13*	
Farmers' crop production and harvesting loans	5,251,739.11	(4)	5,251,739.11	
Emergency relief, Farm Credit Administration, emergency crop loans		(4)		
Loans to farmers in storm, flood, and drought-stricken areas	*218,303.93*		*218,303.93*	
Loans and relief in stricken agricultural areas (transfer to Farm Credit Administration)		(4)		
Miscellaneous items	54,470.07		54,470.07	
Special deposit accounts		25,890.85	25,890.85	*$436,987.35*
Total, Farm Credit Administration, exclusive of revolving funds, checks-issued basis	9,888,252.43	*484,909.60*	9,403,342.83	*436,987.35*
Adjustments between checks issued and cash expenditures	*1,733,316.32*	484,909.60	*1,248,406.72*	
Total, Farm Credit Administration, exclusive of revolving funds, cash basis	8,154,936.11		8,154,936.11	(1)
Railroad Retirement Board				
Administrative expenses	2,665,302.62		2,665,302.62	
Annuity payments	*4,072,217.97*		*4,072,217.97*	
Railroad retirement appropriated account	(12)			
Railroad retirement account				259,196.90
Special deposit account				*271.35*
Subtotal, checks-issued basis	*1,406,915.35*		*1,406,915.35*	258,925.55
Adjustment between checks issued and cash expenditures	34,888.80		34,888.80	
Subtotal, cash basis	*1,372,026.55*		*1,372,026.55*	(1)
Other independent offices				
Federal Emergency Relief Administration	2,656.75	4,643,696.38	4,646,353.13	
Federal Civil Works Administration	14,771.73	226,508.80	241,280.53	
Civilian Conservation Corps	323,747,254.10	1,493,770.02	325,241,024.12	3,250,390.73
Commodity Credit Corporation		33,792.20	33,792.20	
Federal Emergency Administration of Public Works:				
Administrative expenses	998.26	14,537,052.19	14,538,050.45	314,803.00
Rural Electrification Administration	10,617,233.71	4,370,840.06	14,988,073.77	*5,547.78*
Works Progress Administration	101,727.23	1,478,858,499.61	1,478,960,226.84	*1,735,927.30*
Federal Housing Administration	475.75	16.99	492.74	52,791.84
Federal emergency housing		22,069,044.95	22,069,044.95	
Savings and loan promotion, Federal Home Loan Bank Board		8,584.00	8,584.00	
National Industrial Recovery Administration	57.00	826.26	883.26	508.37
Tennessee Valley Authority	41,792,512.16	15.76	41,792,527.92	
Subtotal, other independent offices, checks-issued basis	376,277,686.69	1,526,242,647.22	1,902,520,333.91	1,877,018.86
Adjustments between checks issued and cash expenditures	1,338,098.92	*5,580,714.04*	*4,242,615.12*	
Subtotal, other independent offices, cash basis	377,615,785.61	1,520,661,933.18	1,898,277,718.79	(1)

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
INDEPENDENT OFFICES—contd.				
Revolving funds				
Export-Import Banks of Washington	$71.79	$629.27	$701.06	
Emergency relief, Farm Credit Administration, emergency crop loans		*1,580.96*	*1,580.96*	
Farmers' crop production and harvesting loans		*1,191,980.48*	*1,191,980.48*	
Loans and grants to States, municipalities, railroads, etc		130,054,677.09	130,054,677.09	
Loans and relief in stricken agricultural areas (transfer to Farm Credit Administration)		*3,050,174.33*	*3,050,174.33*	
Subtotal, checks-issued basis	71.79	125,811,570.59	125,811,642.38	
Adjustments between checks issued and cash expenditures	*71.79*	3,569,006.04	3,568,934.25	
Subtotal, cash basis		129,380,576.63	129,380,576.63	(1)
Transfers to trust accounts				
Old-age reserve account	(13)			
Railroad retirement account	146,406,307.87		146,406,307.87	
Government employees' retirement funds (United States share):				
Alaska Railroad retirement fund	175,000.00		175,000.00	
Civil service retirement and disability fund	72,392,000.00		72,392,000.00	
Canal Zone retirement fund	500,000.00		500,000.00	
Foreign service retirement fund	(14)			(14)
Subtotal, checks-issued basis	219,473,307.87		219,473,307.87	
Adjustment between checks issued and cash expenditures	*3,720.69*		*3,720.69*	
Subtotal, cash basis	219,469,587.18		219,469,587.18	(1)
Total, independent offices, cash basis	1,502,622,479.70	1,663,320,722.75	3,165,943,202.45	(1)
DEPARTMENT OF AGRICULTURE				
Office of the Secretary	586,108.67	1,702,282.69	2,288,380.36	
Office of the Solicitor	193,547.60		193,547.60	
Office of Information	1,190,450.74		1,190,450.74	
Library, Department of Agriculture	103,746.62		103,746.62	
Federal Surplus Commodities Corporation [15]				$50,309.32
Office of Experiment Stations	6,459,661.75		6,459,661.75	
Special research fund	1,046,893.29		1,046,893.29	
Extension Service	18,135,695.49		18,135,695.49	
Weather Bureau	4,529,610.86	9.59	4,529,620.45	
Bureau of Animal Industry	9,917,032.68	62,085.35	9,979,118.03	
Bureau of Dairy Industry	675,673.16		675,673.16	
Bureau of Plant Industry	4,664,690.84	9,562.36	4,674,253.20	
Forest Service	20,664,212.85	12,249,443.61	32,913,656.46	1,107,177.22
Bureau of Chemistry and Soils	1,407,042.71		1,407,042.71	
Bureau of Entomology and Plant Quarantine	7,229,252.51	7,915,674.28	15,144,926.79	
Bureau of Biological Survey	2,372,871.76	2,727,661.91	5,100,533.67	
Bureau of Agricultural Economics	5,989,365.06	568,300.66	6,557,665.72	
Bureau of Agricultural Engineering	463,622.17	2,906.57	466,528.74	
Bureau of Home Economics	238,557.49	691,628.84	930,186.33	
Enforcement of the Commodity Exchange Act	497,548.59		497,548.59	
Food and Drug Administration	2,178,198.95		2,178,198.95	
Soil Conservation Service	24,153,179.80	2,820,730.82	26,973,910.62	
Agriculture, miscellaneous	323,285.82	1,083.83	324,369.65	128,987.06
Private relief acts	15,977.73		15,977.73	
Special deposit accounts				976,494.89
Total, Agriculture, departmental, checks-issued basis	113,036,225.14	28,751,370.51	141,787,595.65	2,262,968.49

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
DEPARTMENT OF AGRICULTURE—continued				
Adjustment between checks issued and cash expenditures	*$262,097.82*	*$1,408,637.53*	*$1,670,735.35*	
Total, Agriculture, departmental, cash basis	112,774,127.32	27,342,732.98	140,116,860.30	(1)
Public highways:				
Federal-aid highway system and secondary feeder roads	134,426,160.60		134,426,160.60	
Forest roads and trails	12,545,635.11	150,295.54	12,695,930.65	
Cooperative construction of rural post roads	3,500,730.67		3,500,730.67	
Public-lands highways	1,717,688.84	60,664.38	1,778,353.22	
National Industrial Recovery		4,131,475.41	4,131,475.41	
Elimination of grade crossings, etc.	4,864,784.90	75,579,337.78	80,444,122.68	
Highway funds (statutory allocation)		4,113,625.81	4,113,625.81	
Emergency appropriations		4,831,336.30	4,831,336.30	
Public Works Administration, allotment to Agriculture, public roads		13.59	13.59	
Total, public highways, checks-issued basis	157,055,000.12	88,866,748.81	245,921,748.93	
Adjustment between checks issued and cash expenditures	*5,018,490.51*	*4,290,825.31*	*9,309,315.82*	
Total, public highways, cash basis	152,036,509.61	84,575,923.50	236,612,433.11	
Farm Security Administration	4,831.43	170,499,009.17	170,503,840.60	*$4,284,920.44*
Subsistence homesteads		202,874.83	202,874.83	
Special deposit accounts				8,481,223.68
Total, Farm Security Administration, checks-issued basis	4,831.43	170,701,884.00	170,706,715.43	4,196,303.24
Adjustment between checks issued and cash expenditures	*4,851.43*	9,447,224.66	9,442,393.23	
Total, Farm Security Administration, cash basis		180,149,108.66	180,149,108.66	(1)
Farm Tenant and Rehabilitation Act:				
Loans	3,199,447.20		3,199,447.20	
Other	849,733.08		849,733.08	
Total, Farm Tenant and Rehabilitation Act, checks-issued basis	4,049,180.28		4,049,180.28	
Adjustment between checks issued and cash expenditures	*997,523.66*		*997,523.66*	
Total, Farm Tenant and Rehabilitation Act, cash basis	3,051,656.62		3,051,656.62	
Agricultural Adjustment program:				
Salaries and general expenses	1,117,465.80		1,117,465.80	
Advances to Agricultural Adjustment Administration	*387,148.60*		*387,148.60*	
Administration of the Sugar Act of 1937	5,908,871.64		5,908,871.64	
Agricultural Adjustment Administration (act Aug. 24, 1935): Exportation and domestic consumption of agricultural commodities	38,361,414.58		38,361,414.58	
Agricultural contract adjustments: Payments for agricultural adjustments	2,500,809.65		2,500,809.65	
Elimination of diseased cattle, Department of Agriculture	14,063,529.50		14,063,529.50	
Refunding processing tax on farm products	(16)			

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
DEPARTMENT OF AGRICULTURE—CON.				
Agricultural Adjustment program—Continued.				
Return of advances for processing taxes	$11.15		$11.15	$7,546.95
National Industrial Recovery, Agricultural Adjustment Administration, National Recovery Administration, codes		$1,706.00	1,706.00	
National Industrial Recovery	36.45	*21,514.64*	*21,478.19*	
Soil Conservation and Domestic Allotment Act: Conservation and use of agricultural land resources	307,402,751.44		307,402,751.44	
Total, Agricultural Adjustment program, checks-issued basis	368,967,741.61	*19,808.64*	368,947,932.97	7,546.95
Adjustment between checks issued and cash expenditures	*7,308,432.26*	19,808.64	*7,288,623.62*	
Total, Agricultural Adjustment program, cash basis	361,659,309.35		361,659,309.35	(1)
Refund of receipts: Refunding processing tax on farm products, checks-issued basis	*5,529.90*		*5,529.90*	
Adjustment between checks issued and cash expenditures	5,529.90		5,529.90	
Subtotal, cash basis	(17)			
Department of Agriculture—relief: Loans and relief in stricken agricultural areas, checks-issued basis		*202.68*	*202.68*	
Adjustment between checks issued and cash expenditures		2,674.93	2,674.93	
Subtotal, Department of Agriculture-relief, cash basis		2,472.25	2,472.25	
Total, Department of Agriculture, cash basis	629,521,602.90	292,070,237.39	921,591,840.29	(1)
DEPARTMENT OF COMMERCE				
Office of the Secretary	1,869,001.63	146,316.26	2,015,317.89	
Bureau of Air Commerce	9,663,954.61	233,081.33	9,897,035.94	
Bureau of Foreign and Domestic Commerce	3,010,983.99	407.03	3,011,391.02	7,540.11
Bureau of Census	[18] 2,037,190.39	134,928.00	2,172,118.39	10,322.96
Bureau of Marine Inspection and Navigation	2,363,994.98		2,363,994.98	109,241.14
National Bureau of Standards	2,076,583.89	31.78	2,076,615.67	
Bureau of Lighthouses	11,284,711.30	1,201.63	11,285,912.93	
Coast and Geodetic Survey	2,636,980.72	3,971.60	2,640,952.32	
Bureau of Fisheries	1,749,326.82	4,840.30	1,754,167.12	63,357.05
Patent Office	4,394,567.28		4,394,567.28	21,994.60
Private relief acts	10,376.25		10,376.25	
Commerce, miscellaneous	45,725.43		45,725.43	
Special deposit accounts	624.76		624.76	48,607.51
Total, Commerce, departmental, checks-issued basis	41,144,022.05	524,777.93	41,668,799.98	261,063.37
Adjustment between checks issued and cash expenditures	33,561.70	44,739.20	78,300.90	
Total, Commerce, departmental, cash basis	41,177,583.75	569,517.13	41,747,100.88	
Social Security Act: [19] Administrative expenses, checks-issued basis	8,742.80		8,742.80	
Adjustment between checks issued and cash expenditures	*229.10*		*229.10*	
Subtotal, cash basis	8,513.70		8,513.70	
Total, Department of Commerce, cash basis	41,186,097.45	569,517.13	41,755,614.58	(1)

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
DEPARTMENT OF THE INTERIOR				
Office of the Secretary	$2,582,615.25	$1,203,810.33	$3,786,425.58	
Division of Geographic Names.[20]				
Division of Investigation.[20]				
Division of Grazing.[20]				
U. S. Geographic Board.[20]				
Division of Territories and Island Possessions.[20]				
Petroleum Conservation Division.[20]				
Puerto Rican Hurricane Relief Commission.[20]				
Commission of Fine Arts	9,807.14		9,807.14	
George Rogers Clark Sesquicentennial Commission	12,833.51		12,833.51	
Mount Rushmore National Memorial Commission	73,941.13		73,941.13	
National Bituminous Coal Commission	3,533,491.24		3,533,491.24	
Perry's Victory Memorial Commission	1,047.35		1,047.35	
United States Housing Authority.[21]				
War Minerals Relief Commission	599,088.83		599,088.83	
General Land Office	4,617,901.21	28,020.47	4,645,921.68	$103,858.77
Reclamation projects.[21]				
Bonneville project	88,415.36		88,415.36	
Geological Survey	2,868,638.42	338,570.04	3,207,208.46	
Bureau of Mines	2,173,346.53	32,572.04	2,205,918.57	
National Park Service	18,372,260.89	13,018,514.84	31,390,775.73	391,378.50
Arlington Memorial Bridge Commission.[22]				
Public Buildings Commission.[22]				
Public Buildings and Public Parks of the National Capital.[22]				
National Cemeteries.[22]				
National Military Parks.[22]				
Office of Education	26,432,115.24	377,283.35	26,809,398.59	
Government in the Territories	4,156,028.09	1,166,048.66	5,322,076.75	106,640.91
Puerto Rico Reconstruction Administration		12,072,036.27	12,072,036.27	
Beneficiaries	2,376,922.12	801,732.19	3,178,654.31	168,403.06
Private relief acts	40,761.69		40,761.69	
Interior, civil, miscellaneous	59,016.29	75.44	59,091.73	
Special deposit accounts				594,607.18
Indian Affairs:				
Salaries and general expenses	1,846,660.99	2,602,031.94	4,448,692.93	
Education	10,149,167.72		10,149,167.72	
General support and administration	2,635,977.99	4,219.70	2,640,197.69	36,150.44
Miscellaneous expenses of Indian Service	15,532,336.75	207,527.02	15,739,863.77	
Interest on Indian tribal funds	400,466.80		400,466.80	
Tribal funds				6,759,091.73
Special deposit accounts				1,179,030.56
Total, Interior, departmental, including Indian Affairs, but excluding Reclamation Service and United States Housing Authority, checks-issued basis	98,562,840.54	31,852,442.29	130,415,282.83	9,339,161.15
Adjustment between checks issued and cash expenditures	314,973.45	555,308.30	870,281.75	
Total, Interior, departmental, including Indian Affairs, but excluding Reclamation Service and United States Housing Authority, cash basis	98,877,813.99	32,407,750.59	131,285,564.58	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
DEPARTMENT OF THE INTERIOR—continued				
Bureau of Reclamation (projects)	$40,591,281.22	$24,271,162.35	$64,862,443.57	$3,391,145.11
United States Housing Authority	[23] 728,666.68	20,758,161.15	20,029,494.47	
Subtotal, checks-issued basis	39,862,614.54	45,029,323.50	84,891,938.04	3,391,145.11
Adjustment between checks issued and cash expenditures	210,322.49	956,799.77	1,167,122.26	
Subtotal, cash basis	40,072,937.03	45,986,123.27	86,059,060.30	
Total, Department of the Interior, cash basis	139,950,751.02	78,393,873.86	217,344,624.88	(1)
DEPARTMENT OF JUSTICE				
Office of the Attorney General:				
Salaries and expenses	3,133,921.44		3,133,921.44	
Miscellaneous objects	294,282.84	34,467.39	328,750.23	
Bureau of Prisons, salaries and expenses	238,225.13		238,225.13	
Federal Bureau of Investigation	6,439,491.76		6,439,491.76	
Alcohol Beverage Unit	70.38		70.38	
Bureau of Prohibition	270.70		270.70	
Tax and Penalties Unit	203,420.12		203,420.12	
Veterans' Insurance Litigation	515,059.66		515,059.66	
Alien Property Custodian	*54.86*		*54.86*	11.47
Alien Property Custodian (special deposit account)				306,618.63
The Judiciary:				
Salaries and expenses, U. S. Supreme Court	531,597.56		531,597.56	
Salaries and expenses of Judges	2,445,117.53		2,445,117.53	
United States Court of Appeals	42.51		42.51	
U. S. Court of Customs and Patent Appeals	109,356.77		109,356.77	
United States Customs Court	239,882.95		239,882.95	
Court of Claims	223,359.99		223,359.99	
Territorial courts	95,103.89		95,103.89	
Panama Canal Zone, salaries, District Court	45,807.49		45,807.49	
United States Court for China, salaries and expenses	50,579.99		50,579.99	
Expenses etc., United States courts	14,552,051.36		14,552,051.36	
Judicial, miscellaneous				2,939,365.05
Private relief acts	36,410.42		36,410.42	
Special deposit accounts	140,937.20		140,937.20	351,951.53
Penal and correctional institutions	12,660,262.55	1,156,373.19	13,816,635.74	859,796.01
Total, Department of Justice, checks-issued basis	41,955,217.38	1,190,840.58	43,146,057.96	4,457,742.69
Adjustment between checks issued and cash expenditures	84,036.15	19,867.71	103,903.86	
Total Department of Justice, cash basis	42,039,253.53	1,210,708.29	43,249,961.82	(1)
DEPARTMENT OF LABOR				
Office of the Secretary	1,928,346.19	318,539.53	2,246,885.72	
Bureau of Labor Statistics	796,999.48	307,638.73	1,104,638.21	
Immigration and Naturalization Service	9,671,305.14	20,372.45	9,691,677.59	105,355.68
Private relief acts	6,865.70		6,865.70	
Children's Bureau	[24] 367,786.89		367,786.89	
Women's Bureau	140,620.44		140,620.44	
U. S. Employment Service	4,561,758.13	6,456,762.06	11,018,520.19	81,396.51
U. S. Housing Corporation [25]	([24])			
National Steel Labor Relations Board		*.50*	*.50*	
Textile Labor Relations Board		*16.68*	*16.68*	
Labor, miscellaneous	44,667.20		44,667.20	
Special deposit accounts				291,995.28
Total, Labor, departmental, checks-issued basis	17,518,349.17	7,103,295.59	24,621,644.76	478,747.47

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1933*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
DEPARTMENT OF LABOR—continued				
Adjustment between checks issued and cash expenditures	$583,987.48	$425,402.62	$1,009,390.10	
Total, Labor, departmental, cash basis	18,102,336.65	7,528,698.21	25,631,034.86	(1)
Social Security Act:[1]				
Administrative expenses	333,132.86		333,132.86	
Grants to States	7,772,896.67		7,772,896.67	
Subtotal, checks-issued basis	8,106,029.53		8,106,029.53	
Adjustment between checks issued and cash expenditures	63,585.60		63,585.60	
Subtotal, cash basis	8,169,615.13		8,169,615.13	
Total, Department of Labor, cash basis	26,271,951.78	7,528,698.21	33,800,649.99	(1)
NAVY DEPARTMENT				
National defense				
Salaries, Navy Department	4,026,593.53		4,026,593.53	
Contingent expenses, etc	747,596.33		747,596.33	
Office of the Secretary	1,592,008.88	5,488.34	1,597,497.22	$26,830.32
Bureau of Navigation	11,268,196.10		11,268,196.10	
Naval Academy	2,030,160.89		2,030,160.89	546.52
Bureau of Engineering	20,123,597.42		20,123,597.42	
Bureau of Construction and Repair	19,006,756.21		19,006,756.21	
Bureau of Ordnance	24,131,057.49		24,131,057.49	
Bureau of Supplies and Accounts:				
Fuel and transportation	10,219,889.64		10,219,889.64	
Maintenance	9,210,453.47		9,210,453.47	
Naval supply account fund	*1,662,439.86*		*1,662,439.86*	
Pay, subsistence, and transportation, Navy	191,443,060.87		191,443,060.87	
National Industrial Recovery, Navy, Supplies and Accounts (working fund)		532,538.88	532,538.88	
Clothing and small-stores fund	3,267,769.58		3,267,769.58	
Naval working fund	258,924.71		258,924.71	
Other items	1,940,888.46		1,940,888.46	424,993.52
Bureau of Medicine and Surgery	2,441,570.83		2,441,570.83	1,374,531.46
Bureau of Yards and Docks	15,595,718.10	13,617,626.79	29,213,344.89	
Bureau of Aeronautics	60,846,195.93	100,578.62	60,946,774.55	
Marine Corps:				
Pay	17,926,591.49		17,926,591.49	
General expenses	8,013,536.20		8,013,536.20	
Other items	301,598.81		301,598.81	155,414.48
Replacement of naval vessels:				
Armor, armament, and ammunition	43,582,979.51		43,582,979.51	
Construction and machinery	135,358,285.34		135,358,285.34	
Emergency construction	79,095.18	*225,204.33*	*146,109.15*	
National Industrial Recovery, Navy allotment		12,677,102.80	12,677,102.80	
Navy, miscellaneous	615,740.59		615,740.59	
Private relief acts	140,555.88		140,555.88	
General account of advances	*8,807,655.32*	9,323.72	*8,798,331.60*	
Special deposit accounts	*78,407.81*		*78,407.81*	1,782.46
Total, Navy Department (national defense), checks-issued basis	573,620,318.45	26,717,454.82	600,337,773.27	1,984,098.76
Adjustment between checks issued and cash expenditures	*4,164,924.74*	105,452.27	*4,059,472.47*	
Total, Navy Department (national defense), cash basis	569,455,393.71	26,822,907.09	596,278,300.80	(1)

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
POST OFFICE DEPARTMENT				
Private relief acts	$49,857.47		$49,857.47	
Deficiencies in the postal revenues	(21)			
Miscellaneous expenses, Postal Service	65,980.73		65,980.73	*83,473.92*
Total, Post Office, departmental, exclusive of postal deficiency and Postal Service payable from postal revenues, checks-issued basis	115,838.20		115,838.20	*3,473.92*
Adjustment between checks issued and cash expenditures	2,793,296.32		2,793,296.32	
Total, Post Office, departmental, exclusive of postal deficiency and Postal Service payable from postal revenues, cash basis	2,909,134.52		2,909,134.52	
Deficiencies in the postal revenues, checks-issued and cash basis	[26] 44,258,861.18		44,258,861.18	
Total, Post Office Department, exclusive of Postal Service payable from postal revenue, cash basis	47,167,995.70		47,167,995.70	(1)
DEPARTMENT OF STATE				
Office of the Secretary	2,500,176.71	$4,919.82	2,505,096.53	
Foreign intercourse	17,066,270.53	940,158.37	18,006,428.90	211,008.21
Private relief acts	13,400.00		13,400.00	
Special deposit accounts	26,041.97		26,041.97	*163,499.71*
Foreign service retirement fund	(21)			348,209.94
Total, State, departmental, checks-issued basis	19,605,889.21	945,078.19	20,550,967.40	395,718.44
Adjustment between checks issued and cash expenditures	*278,609.16*	705,801.08	427,191.92	
Total, State, departmental, cash basis	19,327,280.05	1,650,879.27	20,978,159.32	
Transfer to trust account: Foreign service retirement fund, checks-issued and cash basis	188,000.00		188,000.00	
Total, Department of State, cash basis	19,515,280.05	1,650,879.27	21,166,159.32	(1)
TREASURY DEPARTMENT				
Office of the Secretary	235,765.70	1,447,935.79	1,683,701.49	
Division of Research and Statistics	127,556.99		127,556.99	
Office of General Counsel	143,171.39		143,171.39	
Office of Chief Clerk and Superintendent	765,024.67		765,024.67	
Division of Printing	1,538,313.41		1,538,313.41	
Office of Commissioner of Accounts and Deposits	2,987,808.33		2,987,808.33	*70,061.50*
Public Debt Service	7,014,875.84		7,014,875.84	12,745.99
Division of Appointments	44,318.30		44,318.30	
Bureau of Customs:				
Collecting the revenue from customs	20,685,639.01		20,685,639.01	
Miscellaneous expenses	*6,976.08*		*6,976.08*	110,582.61
Refunds, debentures, drawbacks, etc	(21)			
Bureau of the Budget	192,477.29		192,477.29	
Office of Treasurer of United States	1,473,387.13		1,473,387.13	
Office of Comptroller of the Currency	265,752.63		265,752.63	
Bureau of Internal Revenue:				
Collecting the revenue	57,775,365.30		57,775,365.30	
Refunds, debentures, drawbacks, etc	(21)			

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
TREASURY DEPARTMENT—continued				
Bureau of Internal Revenue—Con.				
Bureau of Industrial Alcohol, salaries and expenses	$48.91		$48.91	
Other	43,162.29		43,162.29	$58,079,217.66
Bureau of Prohibition, enforcement of Narcotic and National Prohibition Acts	*91.67*		*91.67*	
Federal Alcohol Administration	455,281.23		455,281.23	
Bureau of Narcotics	1,289,509.41		1,289,509.41	
Coast Guard	24,899,626.20	$998,164.72	25,897,790.92	
Bureau of Engraving and Printing	8,371,567.61		8,371,567.61	
Secret Service Division	1,068,703.18		1,068,703.18	
Public Health Service	[25] 12,387,875.28	958,549.58	13,346,424.86	48,859.88
Bureau of the Mint	2,800,739.13		2,800,739.13	
Treasury, miscellaneous:				
To promote the education of the blind	115,000.00		115,000.00	10,000.00
Private relief acts	35,546.42		35,546.42	
Other items	84,963.41	544.23	85,507.64	781.59
Special deposit accounts				*59,935,635.65*
Miscellaneous accounts:				
Administrative expenses, Adjusted Compensation Payment Act, 1936	1,461,473.82		1,461,473.82	
Emergency relief, Treasury, administrative expenses		21,081,091.46	21,081,091.46	
Expenses, Emergency Banking, Gold Reserve, and Silver Purchase Acts	27,773.52		27,773.52	
Payment of interest on deposits of public moneys of Government of Philippine Islands	1,577,536.14		1,577,536.14	
Pershing Hall Memorial fund	19,465.18		19,465.18	
Other items	*310.88*		*310.88*	
Procurement Division:				
Salaries and expenses, Supply Branch	1,512,356.93	*92,406.80*	1,419,950.13	
Repairs, equipment, operating expenses, etc., public buildings	5,575,832.59	97,386.32	5,673,218.91	
United States Housing Corporation [27]	16,356.82		16,356.82	
Total, Treasury, departmental, checks-issued basis	154,984,895.43	24,491,265.30	179,476,160.73	*1,743,509.22*
Adjustment between checks issued and cash expenditures	*2,909,726.41*	259,107.12	*2,650,619.29*	
Total, Treasury, departmental, cash basis	152,075,169.02	24,750,372.42	176,825,541.44	(1)
Refund of receipts:				
Customs	17,139,882.13		17,139,882.13	
Internal Revenue	34,003,394.35		34,003,394.35	
Processing tax on farm products	10,197,561.11		10,197,561.11	
Return to certain States of portions of Federal employers tax for 1936 (title IX, Social Security Act)	40,561,886.43		40,561,886.43	
Subtotal, checks-issued basis	101,902,724.02		101,902,724.02	
Adjustment between checks issued and cash expenditures	*2,160,147.23*		*2,160,147.23*	
Subtotal, cash basis	99,742,576.79		99,742,576.79	
Social Security Act: [19]				
Public Health Service, checks-issued basis	8,908,714.63		8,908,714.63	
Adjustment between checks issued and cash expenditures	*16,634.75*		*16,634.75*	
Subtotal, cash basis	8,892,079.88		8,892,079.88	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
TREASURY DEPARTMENT—contd.				
Procurement Division:				
Public building construction and sites, etc.:				
Post offices, customhouses, courthouses, etc	$59,857,755.20	$15,892,232.14	$75,749,987.34	
Inspection stations	*741.45*		*741.45*	
Marine hospitals	9,043.66		9,043.66	
Subtotal, checks-issued basis	59,866,057.41	15,892,232.14	75,758,289.55	
Adjustment between checks issued and cash expenditures	951,456.56	*2,441.82*	949,014.74	
Subtotal, cash basis	60,817,513.97	15,859,790.32	76,707,304.29	
Miscellaneous accounts:				
Federal land banks:				
Subscriptions to capital stock		4,736,775.00	4,736,775.00	
Subscriptions to paid-in surplus		9,527,930.37	9,527,930.37	
Subscriptions to paid-in surplus (revolving fund)		23,449,567.16	23,449,567.16	
Payments to Federal land banks, reductions in interest rate on mortgages		32,114,033.21	32,114,033.21	
Payments to Federal Farm Mortgage Corporation, reductions in interest rate on mortgages		5,726,515.05	5,726,515.05	
Restoration of capital impairment, Commodity Credit Corporation		94,285,404.73	94,285,404.73	
Subtotal, checks-issued and cash basis		169,840,225.52	169,840,225.52	
Subscriptions to capital stock, United States Housing Authority, checks-issued basis	1,000,000.00		1,000,000.00	
Adjustment between checks issued and cash expenditures	*1,000,000.00*		*1,000,000.00*	
Subtotal, cash basis	(28)		(28)	
Total, Treasury Department, cash basis	321,527,339.66	210,480,388.26	532,007,727.92	(1)
Transfers to trust account:				
Old-age reserve appropriated account, Social Security Act (checks-issued and cash basis)	387,000,000.00		387,000,000.00	
WAR DEPARTMENT				
National defense				
Salaries, War Department	4,724,262.10		4,724,262.10	
Contingent expenses, War Department	735,457.59		735,457.59	
Office of Secretary of War	5,613.69		5,613.69	
General Staff Corps	399,773.01	2,113,465.88	2,513,238.89	
Army War College	71,092.78		71,092.78	
Adjutant General's Department	70,556.89		70,556.89	
Finance Department:				
Pay of the Army	160,498,624.86		160,498,624.86	
Finance Service	1,141,734.90		1,141,734.90	
Judgments	990,782.08		990,782.08	
Other items	2,879,382.07		2,879,382.07	
Quartermaster Corps:				
Army transportation	13,872,268.95		13,872,268.95	
Barracks and quarters and other buildings and utilities	13,007,039.65		13,007,039.65	
Clothing and equipage	9,736,317.90		9,736,317.90	
Construction of buildings, etc., at military posts	6,235,974.65	188,173.64	6,424,148.29	
National Industrial Recovery		23,552.65	23,552.65	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
WAR DEPARTMENT—continued				
National defense—Continued				
Quartermaster Corps—Continued.				
Construction and repair of hospitals	$414,918.87		$414,918.87	
Incidental expenses of the Army	3,576,980.30		3,576,980.30	
Regular supplies of the Army	3,279,952.44		3,279,952.44	
Subsistence of the Army	32,894,701.98		32,894,701.98	
Emergency relief appropriations		$23,111,551.87	23,111,551.87	
Other items	3,978,404.30		3,978,404.30	$18,954.80
Signal Corps	6,337,587.57	1,267.02	6,338,854.59	
Air Corps	50,929,225.03	5,340.45	50,934,565.48	
Medical Department	1,902,116.01	*2.50*	1,902,113.51	5,420.48
Corps of Engineers	594,233.09		594,233.09	
Ordnance Department	21,233,215.41	*5,461.94*	21,227,753.47	
Chemical Warfare Service	1,554,666.63		1,554,666.63	
Chief of Infantry	68,994.36		68,994.36	
Chief of Cavalry	23,892.97		23,892.97	
Chief of Field Artillery	44,820.49		44,820.49	
Chief of Coast Artillery	30,576.85		30,576.85	
Seacoast defenses	5,159,716.07	1,342.82	5,161,058.89	
Military Academy	3,062,454.49		3,062,454.49	
National Guard Bureau	35,969,902.91	1,175.88	35,971,078.79	
Organized Reserves	9,473,633.33		9,473,633.33	
Citizens' military training	6,453,563.69		6,453,563.69	
National Board for Promotion of Rifle Practice	609,202.81		609,202.81	
Army account of advances	4,258,594.28		4,258,594.28	
Accounting funds	961,156.99		961,156.99	
Special deposit accounts	*27,531.63*		*27,531.63*	
Total, War, national defense, checks-issued basis	407,153,860.36	25,440,405.77	432,594,266.13	24,375.28
Adjustment between checks issued and cash expenditures	*2,452,021.03*	1,422,645.78	*1,029,375.25*	
Total, War, national defense, cash basis	404,701,839.33	26,863,051.55	431,564,890.88	(1)
Nonmilitary activities				
Quartermaster Corps, miscellaneous	1,209,737.50	756.93	1,210,494.43	
Signal Corps	160,456.90		160,456.90	
Bureau of Insular Affairs	200,733.87	*2,533.76*	198,200.11	
War claims and relief acts	258,028.39		258,028.39	
Trust funds				2,406,241.14
Total, nonmilitary activities, exclusive of Rivers and Harbors, checks-issued basis	1,828,956.66	*1,776.83*	1,827,179.83	2,406,241.14
Adjustment between checks issued and cash expenditures	1,135,649.32	2,093.80	1,137,743.12	
Total, nonmilitary activities, exclusive of Rivers and Harbors, cash basis	2,964,605.98	316.97	2,964,922.95	(1)
Rivers and harbors				
Improving rivers and harbors	125,914,581.12	5,189,716.98	131,104,298.10	492,743.52
Flood control and relief	39,375,220.10	29,257,017.20	68,632,237.30	1,170,358.62
Special deposit accounts	32,696.98		32,696.98	
Total, rivers and harbors, checks-issued basis	165,322,498.20	34,446,734.18	199,769,232.38	1,663,102.14
Adjustment between checks issued and cash expenditures	*327,049.59*	*807,715.94*	*1,134,765.53*	
Total, rivers and harbors, cash basis	164,995,448.61	33,639,018.24	198,634,466.85	(1)
Total, War Department, excluding Panama Canal, cash basis	572,661,893.92	60,502,386.76	633,164,280.68	(1)

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
WAR DEPARTMENT—continued				
Panama Canal				
Panama Canal	$11,280,823.73		$11,280,823.73	
Special deposit account	31,420.69		31,420.69	
Total, Panama Canal, checks-issued basis	11,312,244.42		11,312,244.42	
Adjustment between checks issued and cash expenditures	48,885.24		48,885.24	
Total, Panama Canal, cash basis	11,361,129.66		11,361,129.66	(1)
DISTRICT OF COLUMBIA				
District of Columbia, checks-issued basis	5,006,278.87	(20)	5,006,278.87	$46,322,663.53
Adjustment between checks issued and cash expenditures	*6,278.87*	$9,332.44	3,053.57	130,057.52
Total, District of Columbia, cash basis	5,000,000.00	9,332.44	5,009,332.44	46,452,721.05
PUBLIC DEBT				
Interest on the public debt, checks-issued basis	926,247,272.42		926,247,272.42	
Adjustment between checks issued and cash expenditures	33,441.25		33,441.25	
Total, interest on the public debt, cash basis	926,280,713.67		926,280,713.67	
PUBLIC DEBT RETIREMENTS				
Sinking fund	65,232,400.00		65,232,400.00	
Received from foreign governments under debt settlements	210,000.00		210,000.00	
Estate taxes, forfeitures, gifts, etc	139,900.00		139,900.00	
Total, public debt retirements, checks-issued basis	65,582,300.00		65,582,300.00	
Adjustment between checks issued and cash expenditures	*117,350.00*		*117,350.00*	
Total, public debt retirements, cash basis	65,464,950.00		65,464,950.00	
MISCELLANEOUS ACCOUNTS				
Chargeable against increment on gold:				
Melting losses, etc				34,678.99
Payments to Federal Reserve banks (sec. 13b, Federal Reserve Act, as amended)				125,000.00
For retirement of national bank notes				51,478,739.50
Unemployment trust fund				755,425,000.00
Old-age reserve account, Social Security Act				13,914,710.17
Transfers to trust accounts:				
Old-age reserve account				387,000,000.00
Railroad retirement account				146,406,307.87
Government employees' retirement funds (United States share):				
Civil service retirement fund (including District of Columbia share)				73,234,760.00
Canal Zone retirement fund				500,000.00
Alaska Railroad retirement fund				175,000.00
Foreign service retirement fund				188,000.00
Total, miscellaneous accounts, checks-issued basis				1,428,482,196.53

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 2.—*Details of expenditures, by organization units and accounts, for the fiscal year 1938*—Continued

Organization unit	General and special accounts	Recovery and relief accounts	Total, general, special, recovery, and relief accounts	Trust accounts
RECONSTRUCTION FINANCE CORPORATION FUNDS [30]				
Federal Emergency Relief Administration		$31,310.94	$31,310.94	
Home loan bank stock		4,734,900.00	4,734,900.00	
Federal Housing Administration		11,725,002.46	11,725,002.46	
Disaster Loan Corporation stock		4,000,000.00	4,000,000.00	
Loans and grants to States, municipalities, etc., under act July 21, 1932		*254,874.30*	*254,874.30*	
Other		3,405,199.62	3,405,199.62	
Revolving funds (net):				
Agricultural aid:				
Farm Credit Administration:				
Crop production loans		*633,621.71*	*633,621.71*	
Regional agricultural credit corporations		*7,918,444.60*	*7,918,444.60*	
Loans to joint stock land banks		*75,487.51*	*75,487.51*	
Federal intermediate credit banks				
Farm Credit Administration		201,387.21	201,387.21	
Unclassified		964.54	964.54	
Total, Reconstruction Finance Corporation, daily Treasury statement (unrevised)		15,216,836.65	15,216,836.65	
Total, classified expenditures, checks-issued basis	$5,361,242,357.39	2,352,272,286.68	7,713,514,644.07	$1,680,715,393.33
Adjustment between checks issued and cash expenditures	*28,956,565.36*	6,020,096.59	*22,936,468.77*	*4,719,622.59*
Total, classified expenditures, cash basis	5,332,285,792.03	2,358,292,383.27	7,690,578,175.30	1,675,995,770.74
Unclassified items, cash basis	46,884.13	223,839.46	270,723.59	23,264.63
	5,332,332,676.16	2,358,516,222.73	7,690,848,898.89	1,676,019,035.37
Adjustment for disbursing officers' checks outstanding	438,209.47		438,209.47	
Transactions in checking accounts of governmental agencies (net)				[31] *203,986,966.47*
Total cash expenditures on basis of daily Treasury statements (unrevised)	5,332,770,885.63	2,358,516,222.73	7,691,287,108.36	1,472,032,068.90
Excess of expenditures over receipts			1,449,625,881.37	
Excess of receipts over expenditures				254,999,624.40

[1] Expenditures from trust accounts are not classified by organization units, except for the District of Columbia, in the daily Treasury statement (unrevised).
[2] Included under Federal emergency housing.
[3] Stated under "Other independent offices," following.
[4] Stated under "Revolving funds," following.
[5] Stated as a separate activity, following.
[6] Savings and loan promotions, Federal Home Loan Bank Board, stated under "Other independent offices," following.
[7] Expenditures from special deposit account are stated under Federal Emergency Relief Administration.
[8] Included under Federal Home Loan Bank Board.
[9] Included under United States Maritime Commission.
[10] Expenditures under the Social Security Act were made as follows:

Administrative expenses:		
Under Social Security Board	$22,664,121.48	
Under Department of Commerce	8,742.80	
Under Department of Labor	333,132.86	
		$23,005,997.14
Grants to States:		
Under Social Security Board	258,275,313.97	
Under Department of Labor	7,772,896.67	
Under Treasury Department	8,908,714.63	
		274,956,925.27
		297,962,922.41
Old-age reserve account (title II)		387,000,000.00
Total		684,962,922.41

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

[11] See note 26.
[12] Stated under "Transfers to trust accounts," following.
[13] Stated under Treasury Department.
[14] Stated under State Department.
[15] Heretofore stated under independent offices.
[16] Stated under "Refund of receipts," below.
[17] See "Refund of receipts" under Treasury Department also.
[18] Exclusive of administrative expenses under Social Security Act, see note 10.
[19] For expenditures under the Social Security Act, see note 10.
[20] Included under "Office of the Secretary."
[21] See below for this item.
[22] Included under "National Park Service."
[23] Expenditures of $1,000,000 were made for subscriptions to capital stock, United States Housing Authority, under the Treasury Department.
[24] Stated under Procurement Division, Treasury Department, act May 14, 1937 (50 Stat. 151).
[25] Exclusive of expenditures under the Social Security Act. See below.
[26] The item "Postal deficiency" represents advances from the General Fund of the Treasury to the Postmaster General to meet deficiencies in the postal revenues. These figures do not reflect any allowances for offsets on account of extraordinary expenditures or the cost of free mailings contributing to the deficiency of postal revenues certified to the Secretary of the Treasury by the Postmaster General pursuant to the act of Congress approved June 9, 1930. Further, the expenditures shown above on account of postal deficiency for the fiscal year 1938 are exclusive of $718,699.88, on account of transfers of appropriations from the Post Office Department to the U. S. Maritime Commission pursuant to the act of June 29, 1936 (49 Stat. 1988). These transferred funds when expended by the U. S. Maritime Commission are classified as expenditures of the U. S. Maritime Commission.
[27] Heretofore stated under the Department of Labor.
[28] See also expenditures for this item under the Department of the Interior.
[29] Included in trust accounts under District of Columbia.
[30] These items are not included in warrant accounts, but are on the basis of the classification shown in the daily Treasury statements beginning July 1, 1938.
[31] This item represents transfers of balances in checking accounts of certain special agencies of the Government, net transactions in which will hereafter bo shown under this caption.

NOTE.—Excess credits and adjustments in italics to be deducted.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*

[On basis of daily Treasury statements (unrevised), see p. 351]

	1937						1938
	July	August	September	October	November	December	January
GENERAL AND SPECIAL ACCOUNTS							
RECEIPTS							
Internal revenue:							
Income tax	$57,140,977.82	$35,397,265.94	$500,990,562.58	$40,369,732.06	$36,848,826.01	$486,502,228.94	$52,333,096.97
Miscellaneous internal revenue	221,071,974.33	301,069,703.82	185,049,052.69	188,358,307.30	181,451,963.31	191,367,865.79	171,884,684.30
Unjust enrichment tax	361,348.24	204,783.60	555,973.47	173,617.64	453,836.64	346,052.33	255,942.33
Taxes under Social Security Act:							
Title VIII	50,092,334.42	52,085,635.90	49,728,576.19	49,508,413.77	[1] 28,364,578.90	[1] 68,687,759.96	[1] 46,466,596.26
Title IX	3,052,487.11	8,429,267.80	451,629.64	2,588,720.17	[1] 7,979,251.84	[1] 390,889.54	[1] 10,122,495.56
Unclassified	[a] *63,082.73*	[a] *61,296.88*	66,885.87	[a] *5,932.99*	2,816.34		
Taxes upon carriers and their employees	32,139.15	20,267.85	38,673.53	19,040.17	[1] 23,465,353.79	[1] 68,913,769.24	[1] 658,843.42
Processing tax on farm products	[2]	[2]	[2]	[2]	[2]	[2]	[2]
Customs	40,648,801.32	38,789,854.13	36,172,618.73	36,514,785.43	31,513,357.52	30,129,021.12	26,192,842.86
Miscellaneous receipts:							
Proceeds of Government-owned securities:							
Principal—foreign obligations						71,648.79	
Interest—foreign obligations						170,322.37	
Other	16,585,641.89	1,639,609.99	3,982,820.08	4,204,651.85	4,332,596.84	6,633,870.47	16,233,128.28
Panama Canal tolls, etc	2,165,736.69	2,055,436.96	2,101,256.27	1,925,832.94	2,917,002.71	2,014,487.46	1,804,146.78
Seigniorage	3,486,208.08	3,734,068.02	3,580,619.59	3,741,629.32	4,579,550.72	4,564,105.00	2,240,122.27
Other miscellaneous	14,586,070.23	10,093,385.07	5,353,476.22	5,361,028.88	5,220,522.02	5,841,247.84	6,517,368.39
Total	409,160,636.55	453,457,982.26	788,072,144.86	332,759,826.54	327,129,656.64	865,633,268.85	334,709,267.42
EXPENDITURES							
I. General:							
Departmental: [3] [4]							
Legislative establishment	2,198,960.42	2,778,711.97	2,732,316.83	2,557,728.52	2,646,927.86	2,519,285.20	1,473,742.35
Executive proper	34,587.49	35,047.02	34,305.92	36,022.78	40,698.47	51,286.90	52,249.16
State Department	1,924,749.16	1,643,848.04	1,332,388.56	1,767,712.82	1,511,911.94	1,553,894.20	1,538,628.21
Treasury Department	11,930,870.00	12,688,989.19	12,585,085.43	13,258,732.03	11,812,116.73	12,569,997.57	13,166,985.51
War Department (nonmilitary)	283,294.10	608,620.46	187,555.68	342,330.91	157,275.20	168,230.81	[b] *52,201.05*
Department of Justice	3,575,593.48	3,163,408.38	3,215,576.34	3,702,575.74	3,584,125.65	3,572,121.00	3,550,925.00
Post Office Department	6,902.44	2,612,378.76	74,852.80	82,579.27	[b] *26,006.78*	86,588.05	39,987.39
Department of the Interior	5,255,648.95	6,487,581.97	13,642,368.65	9,390,089.21	12,742,360.43	6,319,442.52	7,592,585.72

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*—Continued

	1937						1938
	July	August	September	October	November	December	January
GENERAL AND SPECIAL ACCOUNTS—Continued							
EXPENDITURES—Continued							
I. General—Continued.							
Departmental—Continued.							
Department of Agriculture	$18,503,840.60	$8,210,727.25	$7,196,164.59	$8,907,124.58	$7,072,605.74	$6,893,334.06	$17,387,381.44
Department of Commerce	3,309,620.10	3,036,633.10	3,037,644.38	3,638,678.46	3,257,950.18	3,596,112.15	3,581,957.47
Department of Labor	1,271,059.16	1,440,594.55	1,830,922.69	1,301,120.52	2,224,020.34	1,388,837.64	1,602,723.88
Shipping Board	90.00		50,639.26	143,866.04	*b 4.80*		
United States Maritime Commission	3,404,285.34	686,684.47	*b 98,247.72*	*b 451,086.70*	*b 1,356,989.26*	*b 1,767,024.43*	*b 652,128.43*
Rural Electrification Administration:							
Loans				230,000.00	124,548.57	476,759.97	676,684.04
Other	119,505.65	120,892.16	108,779.05	127,418.09	121,706.92	125,738.54	119,681.20
Independent offices and commissions	3,122,099.16	3,529,617.69	3,255,186.87	3,436,496.89	3,181,846.03	3,293,059.70	3,483,366.35
Unclassified items	302,571.30	27,624.37	415,365.99	*b 648,418.55*	28,518.02	*b 110,414.59*	*b 25,625.11*
	55,243,677.35	47,071,359.38	49,600,905.32	47,822,975.61	47,123,611.24	40,747,249.38	53,536,943.13
Adjustment for disbursing officers' checks outstanding	+4,925,109.78	−4,606,219.63	−1,765,536.77	+853,127.03	+438,474.13	+1,393,460.25	−2,591,217.00
Total departmental [4]	60,168,787.13	42,465,139.75	47,835,368.55	48,676,102.64	47,562,085.37	42,140,709.63	50,945,726.13
Public buildings [3]	3,631,994.75	3,953,538.49	14,240,900.50	5,088,116.70	4,613,714.67	4,558,626.81	4,802,721.84
Public highways [3]	18,158,280.91	14,380,579.75	16,682,193.26	18,618,082.37	16,095,035.28	15,640,267.77	11,700,167.57
River and harbor work and flood control [3]	12,742,897.36	15,125,713.11	14,795,546.08	15,153,256.22	16,772,370.58	15,291,086.80	13,199,973.69
Reclamation projects [3 5]	3,470,465.36	2,644,951.61	2,815,569.91	3,838,238.90	4,155,495.22	4,057,549.41	3,318,044.57
Panama Canal	1,570,780.54	739,062.42	836,635.93	640,630.31	1,433,653.97	898,181.53	537,025.15
Postal deficiency (current) [6]	*b 634,266.02*	10,000,000.00	4,941,522.12	5,000,000.00			
Postal deficiency (prior years) [7]							
Railroad Retirement Act:							
Administrative expenses	141,365.60	156,588.51	190,625.04	224,335.99	275,519.11	268,109.16	269,643.97
Annuity payments	489,045.31	84,812.95	19,837.51	5,506.65	4,447.48	2,425.26	3,912.75
Unclassified			*b 184.65*	184.65	*b 49.99*	49.99	
Social Security Act:							
Administrative expenses:							
Social Security Board	1,332,063.82	1,319,259.48	1,360,041.31	1,659,184.50	1,545,043.69	1,564,090.17	1,648,088.21
Department of Commerce						701.05	1,923.24
Department of Labor	32,344.55	30,407.45	35,745.55	34,792.32	24,067.33	24,257.43	27,001.97

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Grants to States:							
Social Security Board	25,954,478.60	14,437,796.03	8,104,361.07	35,450,649.85	27,977,736.57	11,721,117.86	40,262,192.09
Department of Labor	355,077.46	1,004,838.26	362,432.48	535,316.56	1,338,359.92	150,918.03	1,509,910.30
Treasury Department	1,811,570.10	305,239.54	71,422.75	1,902,317.16	305,276.74		1,824,259.74
Unclassified				7.04	[b] *7.04*		
United States Housing Authority [3]					[b] *237,524.28*	[b] *85,370.64*	9,897.65
District of Columbia (United States share)	4,495,261.76	504,738.24					
National defense: [3]							
Army	32,958,084.09	34,838,784.40	33,204,582.74	32,172,488.48	32,573,944.34	36,246,068.35	33,109,477.02
Navy	46,230,056.80	44,082,491.67	44,466,639.32	44,741,157.21	46,394,657.02	48,300,190.95	48,329,583.13
Veterans' Administration [3]	48,985,049.46	48,085,603.46	47,704,273.77	49,387,872.36	49,208,255.71	49,068,089.13	48,920,040.49
Agricultural adjustment program:							
Agricultural Adjustment Administration [4]	[b] *41,877.08*	[b] *52,177.53*	[b] *53,746.94*	[b] *38,164.47*	[b] *19,401.68*	[b] *11,407.68*	[b] *7,049.37*
Agricultural Adjustment Administration [4]	2,189,806.81	1,598,529.96	1,224,238.81	1,286,684.17	1,164,032.07	1,097,371.67	1,052,729.69
Agricultural Adjustment Administration (act Aug. 24, 1935)	2,035,844.97	1,557,391.63	1,454,177.73	1,533,329.43	3,487,314.02	1,982,405.61	2,252,221.74
Agricultural contract adjustments	493,884.22	654,001.94	324,186.91	256,576.41	260,531.44	201,646.98	214,877.83
Soil Conservation and Domestic Allotment Act	19,228,267.43	9,053,069.57	7,067,116.37	6,752,394.31	6,079,805.57	7,542,889.64	14,286,915.44
Unclassified	713.74	371.08	[b] *485.94*	[b] *1,526.37*	[b] *40,355.35*	41,940.25	[b] *3,646.96*
Farm Tenant Act:							
Loans					609.43	6,981.95	10,023.22
Other				14,597.16	20,972.42	25,992.01	35,976.22
Unclassified							
Civilian Conservation Corps [3]	31,883,403.60	31,348,231.24	29,415,323.98	28,461,398.86	26,448,783.70	27,291,732.69	26,086,091.71
Farm Credit Administration: [3]							
Crop loans	410,129.96	[b] *57,374.29*	[b] *1,577,275.64*	[b] *3,988,188.43*	[b] *3,355,954.79*	[b] *1,622,782.80*	[b] *943,419.25*
Other	[b] *1,326,456.17*	[b] *1,022,610.19*	3,832,994.81	3,690,272.04	1,350,670.54	411,029.79	[b] *1,720,279.42*
Unclassified	13,790.04	3,099,303.68	[b] *3,167,349.17*	37,585.81	9,153.75	[b] *10,783.39*	[b] *3.82*
Tennessee Valley Authority	3,702,793.24	3,323,161.13	4,875,950.87	3,428,721.00	4,125,651.93	2,895,275.91	3,696,306.50
Interest on the public debt	12,286,334.55	20,683,823.12	159,267,793.59	67,397,710.06	9,175,122.28	163,484,809.53	15,974,788.77
Refunds:							
Customs	1,305,380.64	1,071,711.98	1,384,376.46	1,354,084.14	1,099,486.07	2,288,291.95	1,263,611.96
Internal revenue	1,714,523.11	3,876,059.16	3,917,955.21	2,579,554.62	2,631,290.95	2,375,644.34	2,510,746.77
Processing tax on farm products	590,255.36	299,504.90	355,815.46	494,233.64	350,808.96	367,857.68	919,224.06
To States of taxes collected under title IX of the Social Security Act							
Subtotal	337,380,132.05	309,592,542.50	445,988,585.75	376,392,507.29	302,830,603.00	438,215,964.82	326,048,704.60
II. Recovery and relief:							
Agricultural aid:							
Federal Farm Mortgage Corporation—reduction in interest rate on mortgages					1,338,088.84		
Federal land banks:							
Capital stock	[b] *128,610.00*	[b] *314,540.00*		4,500,000.00			
Subscriptions to paid-in surplus	535,336.56	2,306,672.36	3,291,172.34	3,159,696.91	1,323,065.56	4,492,669.49	1,034,191.45
Reduction in interest rates on mortgages	378,306.24	7,140,025.72		7,937,921.56			1,665,199.21
Commodity Credit Corporation:							
Restoration of capital impairment							
Other	130,743.45	[b] *27,522.20*	[b] *2,529.62*	26,121.09	3,366.13	8,625.77	[b] *70,212.06*

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*—Continued

	1937						1938
	July	August	September	October	November	December	January
GENERAL AND SPECIAL ACCOUNTS—Continued							
EXPENDITURES—Continued							
II. Recovery and relief—Continued.							
Relief:							
Federal Emergency Relief Administration: [10]							
Reconstruction Finance Corporation funds	$10,954.97	$2,988.42	$2,114.14	$1,785.14	$1,946.81	$1,682.28	$1,769.53
Other	338,231.22	*b 163,428.70*	284,677.66	139,648.22	257,505.10	131,081.81	645,525.71
Civil Works Administration	18,665.08	21,014.06	14,890.21	18,284.33	19,803.89	28,104.62	19,149.82
Civilian Conservation Corps	285,493.38	324,276.15	95,792.58	*b 6,785.33*	236,770.97	161,376.51	*b 31,559.94*
Department of Agriculture, relief	1,268.43	104.16	*b 61.70*	45.73	*b 2.37*	136.69	143.81
Public works (including work relief):							
Reclamation projects [11]	2,866,628.52	2,558,968.17	2,001,995.90	2,397,271.31	2,248,621.04	1,978,179.33	2,029,979.81
Public highways	8,642,097.33	10,867,405.75	13,568,222.52	9,450,141.74	10,112,337.14	7,398,174.18	4,894,007.47
River and harbor work and flood control	3,659,211.78	2,944,691.80	3,212,641.98	3,187,721.81	2,390,971.48	2,187,475.51	2,320,921.05
Rural Electrification Administration	914,728.16	549,737.64	546,967.44	455,463.48	448,983.54	402,614.93	283,412.05
Works Progress Administration	127,350,140.37	107,684,580.64	98,891,492.50	100,458,429.55	100,073,698.28	115,300,096.93	102,536,288.23
Other:							
Administrative expenses, Public Works Administration	1,843,756.05	1,520,668.98	1,625,873.57	1,479,672.94	1,296,097.14	1,206,623.70	1,041,223.21
Legislative establishment	10,982.24	33,606.44	58,191.56	99,736.29	90,926.41	100,139.06	21,290.46
State Department	2.64	391.41	548.19	24,005.78	31,629.74	44,116.55	27,665.24
Treasury Department:							
Public buildings	1,933,123.99	1,739,145.52	1,997,916.80	1,773,540.98	1,611,161.07	1,294,196.05	1,035,649.12
Other	2,967,242.20	2,438,559.05	2,396,217.49	2,335,847.04	1,829,623.80	1,737,710.36	1,694,954.31
War Department (nonmilitary)	*b 10.00*	*b 66.53*	121.62	271.88			
National defense:							
Army	1,463,614.68	1,420,187.94	1,316,883.48	1,449,586.13	1,454,533.46	1,510,876.24	941,502.74
Navy	3,604,246.84	3,368,237.60	2,558,883.40	1,735,386.66	1,820,088.84	2,429,506.61	2,276,598.22
Department of Justice	57,165.82	104,067.62	108,888.90	110,373.21	107,888.70	116,241.86	108,170.79
Department of the Interior	4,534,149.98	4,039,180.44	3,078,332.31	2,910,886.58	2,813,895.43	3,230,437.72	2,891,932.78
Department of Agriculture	4,421,023.42	4,340,002.11	559,659.85	2,289,976.21	2,354,565.04	2,630,428.52	1,948,443.61
Department of Commerce	132,229.24	41,637.56	36,897.97	112,687.01	34,502.09	30,493.01	29,677.50
Department of Labor	1,106,076.09	1,052,494.14	994,801.47	955,035.00	858,652.17	656,608.36	487,634.54
Veterans' Administration	1,898.58	2,264.70	8,799.52	91.90	8,495.71	7,168.60	9,039.04
Independent offices and commissions	933,765.69	999,438.62	818,808.26	1,032,503.70	1,108,880.64	1,122,399.83	1,354,207.06
District of Columbia	2.35	563.89		2,493.41	3,557.42	2,039.38	
Unclassified items	*b 171,087.94*	145,988.18	1,016.04	7,462.10	13,040.11	*b 199,864.11*	194,445.64

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Aid to home owners:							
Home loan system:							
Reconstruction Finance Corporation funds:							
Home loan bank stock	1,507,900.00				3,227,000.00		
Federal savings and loan associations	8,571.13	169.45	329.05	1,946.06	84.30	▷ *884.15*	3.38
Emergency housing	6,293,099.42	5,069,646.32	5,692,662.41	5,359,920.23	583,324.31	76,739.60	▷ *610,515.96*
United States Housing Authority					3,720,209.45	4,290,911.99	3,004,473.66
Federal Housing Administration:							
Reconstruction Finance Corporation funds	1,948,667.85	699,138.40	2,553,792.00	457,200.63	670,468.08	582,251.09	670,885.83
Other			20.79				
Farm Security Administration [13]	19,170,966.62	13,060,313.61	10,786,011.38	11,776,763.90	12,387,893.21	14,517,670.68	12,537,835.65
Miscellaneous:							
Reconstruction Finance Corporation:							
Disaster Loan Corporation stock	1,000,000.00		1,000,000.00			2,000,000.00	
Loans and grants to States, municipalities, etc., under act July 21, 1932			▷ *176,000.00*	▷ *4,000.00*		▷ *2,374.30*	▷ *72,000.00*
Other	1,672,858.39						1,732,341.23
Export-Import Banks of Washington	2,276.77	100.41	226.88		9.80	▷ *.50*	
Administration for Industrial Recovery	▷ *5,516.32*	90.58	220.25	124.76	▷ *235.90*	141.50	
Subtotal	199,440,321.22	173,971,050.41	157,326,739.14	165,687,257.94	154,511,447.43	169,474,295.76	146,654,274.19
III. Revolving funds (net):							
Agricultural aid:							
Farm Credit Administration:							
Reconstruction Finance Corporation funds:							
Crop production loans	▷ *44,673.56*	▷ *60,445.53*	▷ *60,718.83*	▷ *60,198.17*	▷ *80,519.66*	▷ *71,510.83*	▷ *67,375.82*
Regional agricultural credit corporations	▷ *741,104.37*	▷ *1,030,440.75*	▷ *1,510,476.30*	▷ *2,466,147.56*	▷ *1,062,717.42*	▷ *680,621.51*	▷ *156,532.28*
Loans to joint stock land banks	▷ *7,445.01*	▷ *1,379.99*	▷ *12,565.72*	▷ *4,764.21*	▷ *11,906.74*	▷ *9,863.15*	▷ *3,334.12*
Farm mortgage relief	▷ *24.08*	24.08					
Federal intermediate credit banks			▷ *112,000.00*	112,000.00			
Farm Credit Administration	14,885.57	16,528.22	27,052.17	14,536.99	14,330.13	13,447.36	14,827.96
Unclassified	835.48	2,998.61	31,151.68	▷ *34,021.23*	428.85	▷ *428.85*	▷ *446.02*
Other	▷ *437,722.78*	▷ *3,586,619.34*	2,818,087.30	▷ *397,195.49*	▷ *599,040.95*	▷ *548,919.99*	▷ *383,889.42*
Public works:							
Loans and grants to States, municipalities, etc	19,184,815.02	17,982,778.58	14,742,794.94	11,542,814.83	▷ *16,106,269.07*	11,859,939.72	4,396,545.41
Loans to railroads	▷ *76,579.83*		▷ *31,885.00*			▷ *3,210,060.50*	10,060.50
Subtotal	17,892,986.39	13,323,443.88	15,891,440.24	8,707,025.15	▷ *17,845,694.86*	7,351,992.25	3,819,856.21
IV. Transfers to trust accounts, etc.:							
Old-age reserve account	42,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	43,000,000.00	41,000,000.00
Railroad retirement account	10,000,000.00	20,000,000.00	14,000,000.00	14,000,000.00	14,000,000.00	20,000,000.00	15,000,000.00
Adjusted service certificate fund							
Government employees retirement funds (United States share):							
Civil service retirement fund	72,392,000.00						
Foreign service retirement fund	188,000.00						
Canal Zone retirement fund	500,000.00						
Alaska Railroad retirement fund	175,000.00						
Subtotal	125,255,000.00	61,000,000.00	55,000,000.00	55,000,000.00	55,000,000.00	63,000,000.00	56,000,000.00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*—Continued

	1937						1938
	July	August	September	October	November	December	January
GENERAL AND SPECIAL ACCOUNTS—Continued							
EXPENDITURES—Continued							
V. Debt retirements:							
Sinking fund	$20,550.00		$29,192,700.00	$5,652,400.00	$1,321,300.00	$1,877,700.00	$1,186,300.00
Received from foreign governments under debt settlements						210,000.00	
Estate taxes, forfeitures, gifts, etc.	10,000.00		79,500.00	3,000.00		500.00	
Subtotal	30,550.00		29,272,200.00	5,655,400.00	1,321,300.00	2,088,200.00	1,186,300.00
Total expenditures	679,998,989.66	$557,887,036.79	703,478,965.13	611,442,190.39	495,817,655.57	680,130,452.83	533,709,135.00
Excess of receipts over expenditures			84,593,179.73			185,502,816.02	
Excess of expenditures over receipts	270,838,353.11	104,429,054.53		278,682,363.85	168,687,998.93		198,999,867.58
TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.							
RECEIPTS [13]							
Trust accounts:							
District of Columbia	1,482,491.11	1,009,242.05	1,480,551.29	7,673,416.10	7,433,197.76	3,327,810.01	2,979,022.88
Government life insurance fund	7,157,574.99	4,896,762.43	6,336,101.27	6,034,978.15	4,799,678.63	5,729,599.73	6,815,190.00
Adjusted service certificate fund	31,918.88	36,369.75	52,129.84	33,260.53	815.07	37,076.51	1,233,985.68
Civil service retirement fund:							
Transfers from General Fund (United States and District of Columbia shares)	73,234,760.00						
Deductions from employees' salaries, etc.	3,000,109.32	2,994,629.04	3,135,729.51	3,047,703.71	3,135,070.88	3,164,172.18	3,110,014.12
Interest and profits on investments		6,871.23	171,919.15	208,369.55	24,460.27	37,128.77	331,636.46
Foreign service retirement fund:							
Transfers from General Fund (United States share)	188,000.00						
Deductions from employees' salaries, etc.	183,638.46			377.25		352.67	300.00
Interest on investments	57.21	127.01	246.58	328.77	410.96	478.68	557.59
Canal Zone retirement fund:							
Transfers from General Fund (United States share)	500,000.00						
Deductions from employees' salaries, etc.	44,989.98	40,322.77	42,706.43	43,408.36	40,528.59	44,388.71	41,101.50
Interest on investments		54.25	179.51	203.84	516.38	168.77	717.26

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Alaska Railroad retirement fund:							
Transfers from General Fund (United States share)	175,000.00						
Deductions from employees' salaries, etc	13,203.82	16,560.70	16,144.05	14,314.80	13,583.72	11,933.73	10,449.76
Interest on investments							
Indian tribal funds	776,683.15	593,539.32	568,690.75	541,343.83	599,454.28	571,812.21	593,219.77
Insular possessions	1,955,890.48	1,467,018.13	929,614.93	1,393,531.66	1,250,381.48	1,334,091.48	1,090,338.63
Other	[a] *5,775,583.22*	2,446,331.20	1,360,625.89	3,017,880.84	4,458,911.97	4,084,571.38	4,623,684.83
Unclassified items	2,919,997.35	[a] *2,813,459.73*	906,972.98	[a] *787,694.32*	[a] *242,955.69*	[a] *1,087,559.24*	382,220.73
Increment resulting from reduction in the weight of the gold dollar	31,524.60	35,768.84	35,127.91	41,694.60	36,423.11	721,465.22	46,300.52
Seigniorage [14]	13,548,523.62	6,062,086.58	7,060,526.52	6,027,103.45	5,559,550.53	7,374,307.69	11,970,969.25
Unemployment trust fund:							
Deposits by States	29,525,209.84	77,319,435.56	48,415,195.80	34,353,251.22	85,308,750.09	45,677,589.10	49,872,551.80
Interest on investments						5,845,814.72	21,132.60
Old-age reserve account:							
Transfers from General Fund	42,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	43,000,000.00	41,000,000.00
Interest on investments							
Railroad retirement account:							
Transfers from General Fund	10,000,000.00	20,000,000.00	14,000,000.00	14,000,000.00	14,000,000.00	20,000,000.00	15,000,000.00
Interest on investments							
Total	180,993,989.59	155,111,659.13	125,512,462.41	116,643,472.34	167,418,778.03	139,875,202.32	139,123,393.38
EXPENDITURES [13]							
Trust accounts:							
District of Columbia		2,337,029.02	3,591,413.61	4,490,410.60	5,362,773.49	4,648,044.29	3,677,261.25
Government life insurance fund	25,616,526.53	7,997,752.79	4,249,282.65	6,268,344.45	7,220,378.40	4,455,912.91	5,244,723.44
Adjusted service certificate fund	283,204.32	17,550.32	[b] *428,704.16*	[b] *93,370.50*	1,209,057.06	171,240.96	1,352,187.92
Civil service retirement fund:							
Annuities and refunds	5,003,026.22	4,028,307.90	6,051,580.13	5,197,588.31	5,187,953.63	5,256,613.84	5,174,771.79
Investments	71,300,000.00	[15] *1,900,000.00*	[15] *2,000,000.00*	[15] *2,100,000.00*	[15] *1,800,000.00*	[15] *2,200,000.00*	[15] *1,647,901.23*
Foreign service retirement fund:							
Annuities and refunds	20,727.13	24,825.18	21,494.49	30,520.38	22,745.45	21,633.00	22,568.04
Investments	349,000.00	[15] *19,000.00*	[15] *25,000.00*	[15] *25,000.00*	[15] *25,000.00*	[15] *24,000.00*	[15] *24,000.00*
Canal Zone retirement fund:							
Annuities and refunds	59,653.38	62,323.06	70,366.07	65,423.60	71,318.69	69,089.23	64,517.18
Investments	469,000.00	[15] *15,000.00*	[15] *26,000.00*	[15] *20,000.00*	[15] *38,000.00*	[15] *10,000.00*	[15] *55,000.00*
Alaska Railroad retirement fund:							
Annuities and refunds	7,076.31	6,018.37	1,882.64	6,840.57	4,442.30	4,546.24	6,378.81
Investments	189,000.00	12,000.00		12,000.00	14,000.00		
Indian tribal funds	995,159.43	711,807.29	1,156,016.89	196,636.35	354,563.40	1,160,292.89	257,381.15
Other	[b] *683,835.74*	1,847,785.57	[b] *1,471,785.39*	1,076,736.38	2,627,257.38	7,414,694.75	[b] *783,463.49*
Unclassified items	[b] *188,975.04*	206,803.42	21,068.89	[b] *17,845.98*	[b] *27,246.65*	[b] *804,159.33*	836,857.01

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*—Continued

	1937						1938
	July	August	September	October	November	December	January
TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.—Continued							
EXPENDITURES—Continued							
Trust accounts—Continued.							
Transactions in checking accounts of governmental agencies (net), etc.:							
Commodity Credit Corporation:							
Reconstruction Finance Corporation funds	b *31,333,608.19*	$100,882.87	$1,639,396.30	$5,752,161.61	$19,596,066.61	$30,937,240.39	$19,092,046.66
Other							
Export-Import Banks of Washington—Reconstruction Finance Corporation funds	b *51,008.64*	b *46,488.02*	b *723,414.92*	1,252,780.93	423,576.65	b *366,951.49*	b *317,122.90*
Rural Electrification Administration—Reconstruction Finance Corporation funds	1,375,051.59	1,405,456.37	2,630,130.05	2,399,241.54	4,354,190.23	5,549,971.53	4,935,032.42
Reconstruction Finance Corporation	b *21,444,381.95*	*3,128,651.76*	2,725,890.58	493,186.42	23,284,110.91	15,702,165.90	9,941,935.61
Other	b *39,650,381.67*	b *20,900,184.33*	b *9,256,549.10*	b *10,342,019.34*	1,311,065.59	b *33,776,116.85*	b *26,688,774.02*
Chargeable against increment on gold:							
Melting losses, etc	30,140.74		1,477.22	268.38			
Payments to Federal Reserve banks (sec. 13b, Federal Reserve Act, as amended)				125,000.00			
For retirement of national bank notes	6,072,295.00	3,949,965.00	4,814,680.00	6,211,630.00	4,280,720.00	4,649,240.00	5,271,809.50
Unemployment trust fund:							
Investments	29,066,000.00	68,618,000.00	47,955,000.00	37,719,000.00	78,178,000.00	50,880,000.00	24,054,000.00
Withdrawals by States	200,000.00		200,000.00	350,000.00	500,000.00		34,025,000.00
Old-age reserve account:							
Investments	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00
Benefit payments	46,357.05	108,080.84	99,472.23	169,348.62	263,972.69	302,274.87	581,004.99
Railroad retirement account:							
Investments		10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Benefit payments	3,129,935.82	4,265,735.26	4,454,136.04	4,748,192.44	5,683,758.16	8,229,383.41	7,037,064.25
Total	121,909,964.29	120,690,999.15	116,771,834.22	114,967,074.96	209,059,703.99	153,271,116.54	143,078,278.38
Excess of receipts over expenditures	59,084,025.30	34,420,659.98	8,740,628.19	1,676,397.38			
Excess of expenditures over receipts					41,640,925.96	13,395,914.22	3,954,885.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

	1938					Total fiscal year	
	February	March	April	May	June	1938	1937
GENERAL AND SPECIAL ACCOUNTS							
RECEIPTS							
Internal revenue:							
Income tax	$62,488,640.28	$723,002,013.12	$49,348,268.52	$40,485,498.39	$549,711,028.08	$2,634,618,138.71	$2,157,526,981.33
Miscellaneous internal revenue	140,336,271.54	191,078,904.53	154,385,940.22	168,645,817.23	184,752,614.04	2,279,453,099.10	2,181,217,856.04
Unjust enrichment tax	463,989.22	1,440,270.53	351,406.78	432,673.49	626,677.30	5,666,571.57	5,886,836.32
Taxes under Social Security Act:							
Title VIII	36,532,098.37	1,635,229.02	29,991,305.00	97,000,390.70	4,312,752.89	514,405,671.38	194,346,309.18
Title IX	43,516,039.18	1,808,975.89	3,357,580.48	7,821,892.91	584,354.73	90,103,584.91	57,751,019.29
Unclassified						[a] *60,610.39*	63,511.09
Taxes upon carriers and their employees	30,071,933.26	[a] *10,484.75*	584,114.67	26,331,470.68	6,860.37	150,131,981.38	345,088.10
Processing tax on farm products	[2]	[2]	[2]	[2]	[2]	[2]	2,501.14
Customs	24,203,281.21	26,306,691.63	24,429,963.46	22,335,563.72	21,950,468.44	359,187,249.57	486,356,598.90
Miscellaneous receipts:							
Proceeds of Government-owned securities:							
Principal—foreign obligations					2,648.79	74,297.58	72,093.83
Interest—foreign obligations				174,336.00	169,114.87	513,773.24	518,492.67
Other	3,548,481.60	1,841,753.21	1,687,768.06	2,329,864.84	1,944,758.99	64,964,946.10	68,258,989.03
Panama Canal tolls, etc	1,344,198.78	2,496,987.75	1,977,172.85	2,106,490.40	2,199,225.26	25,107,974.85	25,371,003.00
Seigniorage	2,599,089.69	2,044,084.97	1,590,186.71	2,035,458.90	1,408,097.17	35,603,220.44	48,911,891.10
Other miscellaneous	4,257,958.79	7,759,218.86	4,924,813.68	5,696,863.40	6,279,375.17	81,891,328.55	67,211,065.85
Total	349,361,981.92	959,403,644.76	272,628,520.43	375,396,320.66	773,947,976.10	6,241,661,226.99	5,293,840,236.87
EXPENDITURES							
I. General:							
Departmental: [3] [4]							
Legislative establishment	1,873,879.84	1,654,434.36	1,803,543.97	1,767,253.93	1,773,154.26	25,779,939.60	23,077,257.35
Executive proper	41,086.04	35,935.38	36,199.46	40,914.95	40,686.11	479,019.68	502,152.39
State Department	1,429,159.69	1,613,442.57	1,648,067.59	1,588,694.99	1,774,782.28	19,327,280.05	17,698,828.67
Treasury Department	13,419,858.91	12,970,604.90	12,435,835.78	12,538,807.14	12,697,285.83	152,075,169.02	147,439,619.30
War Department (nonmilitary)	142,121.93	230,236.88	300,739.53	250,131.14	346,270.39	2,964,605.98	3,214,465.19
Department of Justice	3,347,998.92	3,524,286.42	3,713,101.85	3,615,519.23	3,474,021.52	42,039,253.53	38,686,338.83
Post Office Department	[b] *31,685.23*	[b] *40,797.79*	66,152.24	[b] *8,962.71*	47,146.08	2,909,134.52	[b] *2,682,327.06*
Department of the Interior	11,735,169.80	5,444,211.55	6,823,530.30	7,590,414.26	5,854,410.63	98,877,813.99	[c] 86,907,977.42
Department of Agriculture	7,339,688.78	6,965,979.20	8,444,833.85	7,453,336.89	8,399,110.34	112,774,127.32	101,265,690.36

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*—Continued

	1938					Total fiscal year	
	February	March	April	May	June	1938	1937
GENERAL AND SPECIAL ACCOUNTS—Contd.							
EXPENDITURES—Continued							
I. General—Continued.							
Departmental—Continued.							
Department of Commerce	$3,146,923.49	$3,631,434.38	$3,482,737.96	$3,738,175.21	$3,719,716.87	$41,177,583.75	$36,178,077.46
Department of Labor	1,392,025.15	1,204,160.50	1,444,924.98	1,783,561.88	1,218,385.36	18,102,336.65	15,836,005.39
Shipping Board		2,778,333.00		51.86		2,972,975.36	[b] *1,007,055.48*
United States Maritime Commission	[b] *4,922,094.66*	112,099.17	1,267,302.53	37,368.67	1,780,407.02	[b] *1,949,424.00*	[b] *5,080,523.51*
Rural Electrification Administration:							
Loans	822,824.24	1,357,906.08	1,719,612.45	1,465,563.78	2,285,444.10	9,159,343.23	
Other	117,492.43	128,725.91	123,172.31	128,837.05	126,219.87	1,468,169.18	939,581.29
Independent offices and commissions	3,036,232.62	3,628,452.81	4,927,916.68	3,265,364.37	3,423,563.62	41,583,202.79	43,433,989.18
Unclassified items	1,620.56	375,625.57	[b] *814,251.33*	188,468.55	[b] *194,205.65*	46,884.13	[b] *1,182,841.22*
	42,892,302.51	45,615,070.89	47,923,420.15	45,443,501.19	46,766,398.63	569,787,414.78	505,287,235.56
Adjustment for disbursing officers' checks outstanding	−2,867,016.43	+6,078,712.39	−479,533.80	−932,412.35	−8,738.13	+438,209.47	−732,802.42
Total departmental [4]	40,025,286.08	51,693,783.28	47,443,886.35	44,511,088.84	46,757,660.50	570,225,624.25	[c] 504,554,433.14
Public buildings [3]	3,682,038.03	4,260,498.24	3,855,113.18	4,022,948.20	4,107,302.56	60,817,513.97	33,990,145.78
Public highways [3]	6,676,759.78	6,569,479.66	6,962,556.70	8,650,792.80	11,902,313.76	152,036,509.61	89,703,051.32
River and harbor work and flood control [3]	11,648,673.73	11,632,752.12	11,096,467.29	13,536,685.55	13,000,026.08	164,995,448.61	140,478,749.80
Reclamation projects [3 5]	3,170,577.41	2,293,388.86	4,875,876.65	2,115,350.41	3,152,004.40	39,907,512.71	5,206,778.61
Panama Canal	509,302.95	1,418,964.03	886,489.52	913,094.88	977,308.43	11,361,129.66	11,917,182.08
Postal deficiency (current) [6]	5,000,000.00	100,182.30		10,000,000.00	9,000,000.00	43,407,438.40	48,321,786.31
Postal deficiency (prior years) [7]					851,422.78	851,422.78	[b] *6,424,841.78*
Railroad Retirement Act:							
Administrative expenses	231,196.58	214,838.39	200,531.22	214,304.54	226,238.62	2,613,296.73	1,491,898.84
Annuity payments	2,170.02	1,134.69	[b 16] *4,598,615.90*			[b] *3,985,323.28*	3,985,323.28
Unclassified							1,442.82
Social Security Act:							
Administrative expenses:							
Social Security Board	1,918,895.87	1,837,992.79	1,794,915.96	1,856,630.25	1,777,378.32	19,613,584.38	15,433,916.68
Department of Commerce	4,028.24	925.02	244.90	237.00	454.25	8,513.70	101,844.48
Department of Labor	24,181.78	27,095.09	23,082.71	24,092.25	29,310.75	336,379.18	295,198.61
Grants to States:							
Social Security Board	15,681,024.36	7,340,708.65	29,536,570.70	16,258,032.50	22,044,516.63	254,769,184.91	152,890,585.79
Department of Labor	221,782.77	28,879.47	1,031,422.64	1,255,403.37	38,894.69	7,833,235.95	6,215,996.14

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Treasury Department	355,447.83		56,625.50	2,259,920.52		8,892,079.88	7,819,415.33
Unclassified				545.18	[b] *534.57*	10.61	2,181.70
United States Housing Authority [3]	[b] *100,818.33*	108,502.81	737,801.27	[b] *299,910.15*	32,840.99	165,424.32	
District of Columbia (United States share)						5,000,000.00	5,000,000.00
National defense: [3]							
Army	31,490,729.40	34,108,394.48	34,122,844.01	34,002,591.52	35,873,850.50	404,701,839.33	359,027,974.48
Navy	44,511,020.93	54,825,072.57	46,933,060.20	52,047,236.07	48,594,227.84	569,455,393.71	[17] 497,083,719.01
Veterans' Administration [3]	46,877,178.19	48,840,956.93	48,914,906.77	47,999,505.11	47,772,931.92	581,764,663.30	580,234,708.98
Agricultural adjustment program:							
Agricultural Adjustment Administration [8]	[b] *15,271.87*	[b] *29,358.15*	[b] *39,329.59*	[b] *16,377.55*	[b] *15,296.73*	[b] *334,458.59*	[b] *21,505.83*
Agricultural Adjustment Administration [9]	1,354,089.44	1,277,679.26	1,198,194.27	1,233,338.98	2,324,785.78	17,001,480.91	10,765,452.04
Agricultural Adjustment Administration (act Aug. 24, 1935)	3,063,802.90	5,322,011.23	6,433,930.64	4,625,560.62	4,408,542.17	38,156,532.69	42,317,928.82
Agricultural contract adjustments	129,561.65	137,805.38	137,498.89	105,451.72	76,103.50	2,992,126.87	116,799,598.81
Soil Conservation and Domestic Allotment Act	25,136,772.10	51,569,950.91	61,943,674.59	53,708,906.90	41,482,421.29	303,852,184.12	357,199,796.39
Unclassified	3,653.85	[b] *14.34*	[b] *19,762.71*	[b] *15,063.76*	25,619.86	[b] *8,556.66*	
Farm Tenant Act:							
Loans	16,561.91	45,370.28	158,604.95	551,748.17	1,485,529.56	2,275,429.47	
Other	46,591.98	93,459.15	129,057.64	158,613.38	251,059.27	776,319.23	
Unclassified		[b] *24,786.28*	23,906.38	819.90	[b] *92.08*	[b] *92.08*	
Civilian Conservation Corps [3]	24,168,791.74	26,607,416.35	24,564,956.62	23,883,772.88	24,826,131.67	324,986,035.04	321,130,997.53
Farm Credit Administration: [3]							
Crop loans	[b] *535,782.97*	2,651,925.89	8,667,645.14	3,915,474.91	592,039.43	4,156,442.16	28,212,110.10
Other	[b] *46,798.42*	245,520.69	[b] *761,524.80*	[b] *517,114.99*	[b] *118,916.15*	4,016,787.73	[b] *958,535.00*
Unclassified	[b] *1,817.92*	[b] *232,066.43*	230,802.62	7,181.19	[b] *4,590.14*	[b] *18,293.78*	18,293.78
Tennessee Valley Authority	2,838,823.79	3,082,218.54	3,449,477.95	3,162,414.47	3,421,442.83	42,002,238.16	[17] 41,995,141.08
Interest on the public debt	16,772,205.72	153,394,206.35	66,145,412.19	8,716,783.31	[18] 232,981,724.20	[18] 926,280,713.67	[18] 866,384,330.90
Refunds:							
Customs	1,320,410.30	2,280,855.80	1,203,871.22	1,033,066.66	551,192.82	16,156,340.00	16,549,408.30
Internal revenue	1,944,090.52	2,655,915.72	3,297,454.93	2,797,674.59	2,490,750.68	32,791,660.60	32,848,860.38
Processing tax on farm products	1,528,392.74	1,938,229.84	866,727.71	1,238,168.55	1,283,470.86	10,232,689.76	6,515,773.54
To States of taxes collected under title IX of the Social Security Act					40,561,886.43	40,561,886.43	
Subtotal	289,654,058.08	476,319,949.57	411,504,378.31	343,958,968.78	602,761,953.70	4,660,648,348.45	4,297,089,142.24
II. Recovery and relief:							
Agricultural aid:							
Federal Farm Mortgage Corporation—reduction in interest rate on mortgages	2,258,973.79				2,129,452.42	5,726,515.05	
Federal land banks:							
Capital stock	[b] *320,075.00*		1,000,000.00			4,736,775.00	[b] *3,847,885.00*
Subscriptions to paid-in surplus	2,070,410.57	4,008,181.37	3,361,337.73	1,649,623.79	5,745,139.40	32,977,497.53	35,198,811.40
Reduction in interest rates on mortgages	4,646,660.04	2,692,889.44	6,730,244.11	922,786.89		32,114,033.21	32,830,087.17
Commodity Credit Corporation:							
Restoration of capital impairment					94,285,404.73	94,285,404.73	
Other	[b] *35,607.44*	[b] *44,438.27*	36,740.04	76,145.76	[b] *34,867.08*	66,965.57	24,347.57

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*—Continued

	1938					Total fiscal year	
	February	March	April	May	June	1938	1937
GENERAL AND SPECIAL ACCOUNTS—Continued							
EXPENDITURES—Continued							
II. Recovery and relief—Continued.							
Relief:							
Federal Emergency Relief Administration: [10]							
Reconstruction Finance Corporation funds	$1,659.96	$1,520.73	$1,400.68	$1,515.21	$1,973.07	$31,310.94	$437,672.50
Other	379,925.23	802,385.07	611,683.96	586,101.09	294,433.45	4,337,769.82	11,963,614.00
Civil Works Administration	16,057.02	17,646.52	16,241.37	15,801.48	16,442.64	222,101.04	296,750.72
Civilian Conservation Corps	152,416.87	55,055.56	45,911.90	29,782.38	47,981.54	1,396,512.57	64,676,732.28
Department of Agriculture, relief	478.71	162.75	38.00	157.00	1.04	2,472.25	476,249.44
Public works (including work relief):							
Reclamation projects [11]	1,927,749.44	1,910,250.00	1,659,814.46	1,846,384.54	2,072,454.43	25,498,296.95	9,739,350.60
Public highways	5,708,518.97	3,623,428.64	3,539,403.89	3,741,649.76	3,030,476.11	84,575,923.50	260,908,921.92
River and harbor work and flood control	1,356,181.90	1,935,693.78	2,420,763.68	3,392,435.93	4,630,307.54	33,639,018.24	94,483,515.42
Rural Electrification Administration	159,049.68	293,486.88	230,716.64	132,496.67	147,549.76	4,565,206.87	7,971,444.14
Works Progress Administration	105,124,074.40	145,177,690.42	145,596,149.54	158,580,820.45	165,726,016.90	1,472,499,478.21	1,896,446,658.29
Other:							
Administrative expenses, Public Works Administration	1,565,717.52	863,012.04	933,202.93	834,806.68	898,356.46	15,109,011.28	27,431,347.70
Legislative establishment	156,659.93	♦96,801.67	10,668.94	19,432.19	11,063.32	515,895.17	1,094,468.38
State Department	306.86	1,493.53	22,089.62	23.04	1,498,606.67	1,650,879.27	58,904.59
Treasury Department:							
Public buildings	1,083,165.53	847,298.79	909,442.19	720,565.36	944,584.92	15,889,790.32	42,259,124.39
Other	1,769,175.36	1,964,309.81	1,903,958.22	1,655,896.33	2,056,878.45	24,750,372.42	37,200,437.49
War Department (nonmilitary)						316.97	21,838.77
National defense:							
Army	1,140,736.40	1,845,643.02	3,003,224.59	5,230,533.94	6,085,728.93	26,863,051.55	19,204,505.16
Navy	918,977.28	1,530,512.45	1,720,374.79	2,240,522.59	2,569,571.81	26,822,907.09	59,800,730.48
Department of Justice	101,956.68	101,125.01	97,436.58	92,500.45	104,892.67	1,210,708.29	937,618.09
Department of the Interior	1,823,044.94	2,238,331.04	2,004,850.70	2,159,022.95	683,685.72	32,407,750.50	83,712,826.75
Department of Agriculture	1,632,143.26	1,622,550.00	1,457,463.02	1,864,970.15	2,221,507.79	27,342,732.98	62,136,316.23
Department of Commerce	28,373.32	28,767.23	28,133.20	27,818.07	38,190.93	569,517.13	5,314,206.81
Department of Labor	306,245.82	277,431.72	255,589.80	290,463.71	287,665.39	7,528,698.21	14,894,691.32
Veterans' Administration	503.52	♦5,732.31	25.41	61.60	180,455.34	213,071.61	409,684.52
Independent offices and commissions	1,176,995.35	1,546,415.49	1,027,805.79	978,582.16	965,338.74	13,065,141.33	12,230,442.60
District of Columbia					675.99	9,332.44	117,729.97
Unclassified items	700,930.21	♦703,260.77	1,066.71	♦247,277.96	480,821.24	223,839.46	715,837.57

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Aid to home owners:							
Home loan system:							
Reconstruction Finance Corporation funds:							
Home loan bank stock						4,734,900.00	20,664,100.00
Federal savings and loan associations	8.70		85.83	1,236.58	247.52	11,797.85	22,183.66
Emergency housing	31,837.39	♭ 44,458.42	3,480.98	1,035.03	803.91	22,457,595.22	50,734,419.78
United States Housing Authority	2,122,090.32	1,959,307.79	2,333,513.16	1,616,634.87	1,440,685.08	20,487,826.32	
Federal Housing Administration:							
Reconstruction Finance Corporation funds	554,908.94	590,160.56	1,483,553.75	748,168.39	765,806.94	11,725,002.46	16,434,676.15
Other		♭ 3.80				16.99	305,403.98
Farm Security Administration [13]	14,047,387.05	20,556,307.85	19,394,968.96	17,197,450.83	14,715,538.92	180,149,108.66	209,695,567.17
Miscellaneous:							
Administration for Industrial Recovery	156.50	495.34	18.08	35.06	♭ 52.09	♭ 4,522.24	4,873.17
Reconstruction Finance Corporation:							
Disaster Loan Corporation stock						4,000,000.00	6,000,000.00
Loans and grants to States, municipalities, etc., under act July 21, 1932						♭ 254,374.30	♭ 13,334,330.00
Other						3,405,199.62	2,616,380.77
Export-Import Banks of Washington	45.00		45.34			2,703.70	1,092,873.79
Subtotal	152,607,840.02	195,596,877.59	201,841,444.59	206,408,182.98	314,043,820.60	2,237,563,551.87	3,073,383,129.74
III. Revolving funds (net):							
Agricultural aid:							
Farm Credit Administration:							
Reconstruction Finance Corporation funds:							
Crop production loans	♭ 52,076.78	♭ 40,579.38	♭ 34,795.54	♭ 40,951.48	♭ 29,776.13	♭ 633,621.71	♭ 810,401.55
Regional agricultural credit corporations	♭ 79,517.15	♭ 26,984.26	♭ 34,829.89	♭ 137,476.92	8,403.79	♭ 7,918,444.60	♭ 13,933,501.37
Loans to joint stock land banks	♭ 7,782.88	♭ 5,701.68	♭ 1,251.02	♭ 8,787.17	♭ 715.82	♭ 75,487.51	♭ 273,430.64
Farm mortgage relief		♭ 20.00	20.00				
Federal intermediate credit banks							
Farm Credit Administration	13,018.06	16,230.63	18,088.47	17,838.91	20,602.74	201,387.21	338,545.49
Unclassified	446.02		12.56	♭ 12.56		964.54	♭ 1,072.04
Other	♭ 283,506.53	♭ 219,772.40	♭ 208,575.76	♭ 185,496.53	♭ 188,247.95	♭ 4,220,899.84	♭ 3,146,190.07
Public works:							
Loans and grants to States, municipalities, etc.	17,261,325.73	18,448,743.17	9,051,616.83	15,836,610.53	12,673,636.96	136,875,352.65	224,480,428.44
Loans to railroads				31,885.00		♭ 3,276,579.88	♭ 3,118,619.22
Subtotal	16,851,906.49	18,171,916.08	8,790,285.65	15,513,609.78	12,483,903.59	120,952,670.86	203,535,759.04
IV. Transfers to trust accounts, etc.:							
Old-age reserve account	41,000,000.00	43,000,000.00	10,800,000.00	2,200,000.00		387,000,000.00	265,000,000.00
Railroad retirement account	15,000,000.00	15,000,000.00	[14] 8,602,587.18		800,000.00	146,402,587.18	
Adjusted service certificate fund							[20] 556,665,424.68
Government employees retirement funds (United States share):							
Civil service retirement fund						72,392,000.00	46,050,000.00
Foreign service retirement fund						188,000.00	185,300.00
Canal Zone retirement fund						500,000.00	500,000.00
Alaska Railroad retirement fund						175,000.00	
Subtotal	56,000,000.00	58,000,000.00	19,402,587.18	2,200,000.00	800,000.00	606,657,587.18	868,400,724.68

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*—Continued

	1938					Total fiscal year	
	February	March	April	May	June	1938	1937
GENERAL AND SPECIAL ACCOUNTS—Continued							
EXPENDITURES—Continued							
V. Debt retirements:							
Sinking fund	$13,212,200.00	$3,863,900.00	$1,351,400.00	$532,400.00	$6,910,700.00	$65,121,550.00	$103,815,200.00
Received from foreign governments under debt settlements						210,000.00	142,000.00
Estate taxes, forfeitures, gifts, etc	3,000.00		34,000.00		3,400.00	133,400.00	14,000.00
Subtotal	13,215,200.00	3,863,900.00	1,385,400.00	532,400.00	6,914,100.00	65,464,950.00	103,971,200.00
Total expenditures	528,329,004.59	751,952,643.24	642,924,095.73	568,613,161.54	937,003,777.89	7,691,287,108.36	8,546,379,955.70
Excess of receipts over expenditures		207,451,001.52					
Excess of expenditures over receipts	178,967,022.67		370,295,575.30	193,216,840.88	163,055,801.79	1,449,625,881.37	3,252,539,718.83
TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.							
RECEIPTS [13]							
Trust accounts:							
District of Columbia	2,120,601.12	6,157,808.08	8,216,363.09	1,913,323.06	1,586,756.07	45,380,582.62	38,698,079.60
Government life insurance fund	4,755,795.08	7,266,783.90	5,911,678.51	5,076,550.56	[18] 28,678,515.17	[18] 93,459,208.42	[18] 93,075,900.83
Adjusted service certificate fund	4,758.30	16,667.75	13,037.15	15,039.16	153.83	1,475,212.45	4,136,905.76
Civil service retirement fund:							
Transfers from General Fund (United States and District of Columbia shares)						73,234,760.00	46,200,000.00
Deductions from employees' salaries, etc	3,090,632.65	3,228,158.26	3,136,273.01	3,085,901.43	3,144,240.43	37,272,634.54	34,975,743.82
Interest and profits on investments	241,841.10	198,427.30	301,851.81	528,333.73	14,584,986.30	16,635,825.67	13,012,960.98
Foreign service retirement fund:							
Transfers from General Fund (United States share)						188,000.00	185,300.00
Deductions from employees' salaries, etc	2,806.10	505.94	1,357.99	897.21	13.33	190,248.95	190,926.02
Interest on investments	657.53	924.05	1,128.99	979.40	127,999.78	133,896.55	124,872.23
Canal Zone retirement fund:							
Transfers from General Fund (United States share)						500,000.00	500,000.00
Deductions from employees' salaries, etc	44,270.04	40,953.62	41,690.38	43,487.08	40,769.89	508,617.35	508,491.78
Interest on investments	331.40	721.97	934.25	637.15	141,417.75	145,882.53	129,667.64

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Alaska Railroad retirement fund:							
Transfers from General Fund (United States share)						175,000.00	
Deductions from employees' salaries, etc.	12,419.10	21,500.22	3,350.79	10,945.67	11,801.51	156,207.87	96,371.43
Interest on investments					10,972.28	10,972.28	490.96
Indian tribal funds	575,878.34	553,231.71	482,881.28	454,151.92	415,010.77	6,725,897.33	6,948,815.62
Insular possessions	775,591.87	1,245,077.87	847,414.47	1,560,499.39	1,530,558.18	15,380,008.57	18,218,161.35
Other	2,049,577.21	3,426,403.39	2,880,711.48	3,368,656.46	4,413,492.11	30,355,263.54	44,007,859.56
Unclassified items	1,562,353.62	376,852.09	[a] *630,863.53*	[a] *641,687.56*	555,281.29	599,458.39	[a] *154,426.44*
Increment resulting from reduction in the weight of the gold dollar	31,367.83	25,986.33	42,146.16	23,210.01	23,827.84	1,094,842.97	1,676,187.53
Seigniorage [14]	7,450,543.62	6,113,435.29	6,299,973.97	6,637,329.92	6,246,661.96	90,351,012.40	39,786,924.30
Unemployment trust fund:							
Deposits by States	95,129,734.62	[21] 43,157,460.66	[21] 37,469,314.65	128,457,554.18	72,974,449.25	747,660,496.77	291,702,689.28
Interest on investments		[21] 35,428.18	[21] 5,386.74		9,264,259.87	15,172,022.11	2,737,181.92
Old-age reserve account:							
Transfers from General Fund	41,000,000.00	43,000,000.00	10,800,000.00	2,200,000.00		387,000,000.00	265,000,000.00
Interest on investments					15,412,232.89	15,412,232.89	2,261,810.97
Railroad retirement account:							
Transfers from General Fund	15,000,000.00	15,000,000.00	[15] 8,602,587.18		800,000.00	146,402,587.18	
Interest on investments			45,205.48	117,123.29	1,248,493.15	1,410,821.92	
Total	173,849,159.53	129,866,326.61	84,572,424.05	152,852,932.26	161,211,893.65	1,727,031,693.30	904,020,915.14
EXPENDITURES [13]							
Trust accounts:							
District of Columbia	4,190,856.27	4,077,234.80	4,271,841.27	4,187,173.89	5,618,682.56	46,452,721.05	42,851,400.49
Government life insurance fund	5,601,224.00	4,554,702.45	9,677,632.25	5,959,058.25	26,873,072.86	113,718,660.98	73,656,787.40
Adjusted service certificate fund	[b] *13,556.42*	[b] *949,231.29*	[b] *112,398.21*	[b] *74,284.04*	907,906.50	2,269,602.66	26,058,769.80
Civil service retirement fund:							
Annuities and refunds	6,371,418.71	4,149,986.73	5,386,020.25	5,428,551.36	5,254,031.35	62,489,850.22	59,087,261.32
Investments	[15] *2,960,925.92*	[15] *886,975.81*	[15] *1,686,975.31*	[15] *1,908,784.98*	12,300,000.00	64,508,437.25	34,700,000.00
Foreign service retirement fund:							
Annuities and refunds	3,930.73	51,126.04	43,224.11	22,661.15	22,993.44	308,449.14	265,498.84
Investments		[16] *56,000.00*	[16] *34,000.00*	[16] *27,000.00*	127,000.00	217,000.00	227,000.00
Canal Zone retirement fund:							
Annuities and refunds	54,372.00	82,217.85	65,383.61	66,557.52	67,198.01	798,420.20	668,686.45
Investments		[16] *41,000.00*	[16] *31,000.00*	[16] *19,000.00*	124,000.00	358,000.00	455,000.00
Alaska Railroad retirement fund:							
Annuities and refunds	6,430.84	8,528.21	5,550.38	6,753.43	4,454.19	68,902.29	15,327.79
Investments			30,000.00		18,000.00	275,000.00	52,000.00
Indian tribal funds	798,073.06	924,606.55	254,144.45	527,171.78	950,836.30	8,286,690.04	7,656,102.49
Other	5,852,076.18	1,910,040.75	1,904,205.24	812,792.38	6,715,993.36	27,272,499.37	33,765,080.65
Unclassified items	[b] *14,269.70*	[b] *14,874.83*	[b] *13,604.19*	[b] *4,977.51*	43,988.54	23,264.63	1,189,508.26
Transactions in checking accounts of governmental agencies (net), etc.:							
Commodity Credit Corporation:							
Reconstruction Finance Corporation funds	8,637,065.74	6,236,222.13	7,331,205.11	[b] *962,278.53*	[b] *1,600,345.15*	95,426,055.55	[b] *111,812,104.91*
Other					[b 19] *94,285,404.73*	[b 19] *94,285,404.73*	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 3.—*Classified receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1937 and 1938, arranged to correspond with the classification shown in the daily Treasury statements beginning July 1, 1938*—Continued

	1938					Total fiscal year	
	February	March	April	May	June	1938	1937
TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.—Continued							
EXPENDITURES—Continued							
Trust accounts—Continued.							
Transactions in checking accounts of governmental agencies (net), etc.—Continued.							
Export-Import Banks of Washington—Reconstruction Finance Corporation funds	$131,036.09	[b] $945,298.76	$608,928.42	[b] $55,364.38	[b] $1,117,132.98	[b] $1,206,460.00	[b] $2,545,584.75
Rural Electrification Administration—Reconstruction Finance Corporation funds	3,155,120.25	2,599,682.24	1,981,628.22	1,809,893.94	1,735,032.23	33,930,430.61	2,282,787.45
Reconstruction Finance Corporation	[b] 15,412,288.96	2,719,274.87	34,096,005.80	5,893,255.44	[b] 13,647,955.38	41,222,547.48	[b] 329,146,606.02
Other	[b] 2,321,179.30	[b] 29,608,087.22	4,613,909.77	[b] 150,278,655.28	37,802,836.37	[b] 279,074,135.38	127,380,803.28
Chargeable against increment on gold:							
Melting losses, etc			1,893.18	899.47		34,678.99	333,153.63
Payments to Federal Reserve banks (sec. 13b, Federal Reserve Act, as amended)						125,000.00	875,000.00
For retirement of national bank notes	3,983,360.00	3,284,480.00	3,154,050.00	3,252,000.00	2,554,510.00	51,478,739.50	99,573,790.50
Unemployment trust fund:							
Investments	85,400,000.00	[21] 9,500,000.00	[15] [21] 3,000,000.00	85,000,000.00	46,335,000.00	559,705,000.00	293,386,000.00
Withdrawals by States	5,785,000.00	35,930,000.00	40,850,000.00	34,410,000.00	38,725,000.00	190,975,000.00	1,000,000.00
Old-age reserve account:							
Investments	41,000,000.00	41,000,000.00	10,800,000.00		15,400,000.00	395,200,000.00	267,100,000.00
Benefit payments	602,215.64	736,132.95	841,022.47	822,751.87	831,428.65	5,404,062.87	26,969.35
Railroad retirement account:							
Investments	10,000,000.00	10,000,000.00	[15] 10,000,000.00	[15] 5,000,000.00	1,200,000.00	66,200,000.00	
Benefit payments	6,339,967.93	7,104,613.56	[16] 12,896,553.09	7,881,046.22	8,078,670.00	79,849,056.18	
Total	167,189,927.14	102,367,881.72	123,935,269.91	[b] 2,249,778.02	101,039,796.62	1,472,032,068.90	629,132,732.02
Excess of receipts over expenditures	6,659,232.39	27,498,444.89		155,102,710.28	60,172,097.03	254,999,624.40	274,888,183.12
Excess of expenditures over receipts			39,362,845.86				

[a] Counter-entry receipts (deduct). [b] Excess of credits (deduct). [c] Revised to adjust classification.

[1] Revised to adjust the classification of receipts deposited during the months of November and December amounting to $19,349,371.27 and $4,823,614.07, respectively, classified at that time as taxes under the Social Security Act, which upon later information received from collectors of internal revenue were found to be taxes upon carriers and their employees and adjustments of which were made in the month of January 1938. The reduced amount of taxes shown for the month of November and the increased amount shown for the month of December are attributed to the fact that heavy collections were made during the latter part of November which were not deposited in the Treasury until December.

[2] Included in "Miscellaneous internal revenue."

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

[3] Additional expenditures on these accounts are included under "Recovery and relief" and "Revolving funds (net)."

[4] The Executive order of June 10, 1933, as amended, provides for the transfer of the function of disbursement of all moneys of the United States (except those relating to the Military and Naval Establishments, rivers and harbors, and Panama Canal) to the Division of Disbursement, Treasury Department. The transfer of such functions in Washington, D. C., of the several departments and establishments subject to the Executive order of June 10, 1933, was completed on July 1, 1934. Therefore, effective July 1, 1934, in the interest of economy and efficiency, the disbursements by the Division of Disbursement, Treasury Department, which appear in daily Treasury statements under the caption "Departmental expenditures" are on the basis of checks issued. The totals shown, after making adjustment of outstanding checks of the Division of Disbursement, relating to such "Departmental expenditures," are on the basis of checks paid as published heretofore.

[5] Expenditures under this caption for the fiscal year 1937 include only Boulder Canyon project, other reclamation projects being included in "Departmental—Department of the Interior."

[6] The item "Postal deficiency" represents advances from the General Fund of the Treasury to the Postmaster General to meet deficiencies in the postal revenues. These figures do not reflect any allowances for offsets on account of extraordinary expenditures or the cost of free mailings contributing to the deficiency of postal revenues certified to the Secretary of the Treasury by the Postmaster General pursuant to the act of Congress approved June 9, 1930. Further, the expenditures shown above on account of postal deficiency for the fiscal years 1937 and 1938 are exclusive of $16,245,165.06 and $718,693.88, respectively, on account of transfers of appropriations from the Post Office Department to the U. S. Maritime Commission pursuant to the act of June 29, 1935 (49 Stat. 1988). These transferred funds when expended by the U. S. Maritime Commission are classified as "Departmental—U. S. Maritime Commission."

[7] The figures for the fiscal year 1938 represent payments and repayments of $8,780,085.63 and $7,928,662.85, respectively, on account of adjustments of grants for prior years. The net adjustment is $851,422.78. The figures for the fiscal year 1937 represent repayment of funds by Post Office Department on account of grants for fiscal years 1925 to 1933.

[8] Payable from processing taxes on farm products or advances from the Treasury to be deducted from processing taxes.

[9] Formerly classified under "Recovery and relief—Agricultural aid."

[10] Includes expenditures made by Federal Surplus Commodities Corporation from funds provided for the Federal Emergency Relief Administration.

[11] Expenditures under this caption for the fiscal year 1937 include only Boulder Canyon project, other reclamation projects being included in "Public works—All other—Department of the Interior."

[12] Includes expenditures on account of subsistence homesteads.

[13] Effective Dec. 31, 1937, transfers from the General Fund are treated as receipts instead of offsets against expenditures. The figures for the months of July to December inclusive and the fiscal year 1937, therefore, include adjustments on this account and in that respect disagree with figures heretofore shown on p. 2 of daily Treasury statements on the last day of the month and on p. 7 on the 15th of the month.

[14] This item of seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated Aug. 9, 1934.

[15] Excess of redemptions (deduct).

[16] Annuity payments under the Railroad Retirement Act of 1935 amounting to $4,599,453.84, heretofore included in general expenditures under the caption "Railroad Retirement Act: Annuity payments," have been transferred to and included in the expenditures under "Trust accounts, Increment on gold, etc.," opposite the caption "Railroad retirement account—Benefit payments" in order to carry out the provisions contained in Public Resolution No. 50, 75th Congress, approved July 1, 1937. This transfer does not affect "Total general and special account expenditures."

[17] The total expenditures for the fiscal year 1937 for "National defense, Navy" and for "Tennessee Valley Authority" shown in this statement disagree with the totals for the same classification on p. 2 of the daily Treasury statement for June 30, 1937, in the amount of $1,000 due to compensating differences of that amount between these classifications and the figures shown in the latter statement.

[18] Includes $22,507,108.04, representing 1 year's interest at 4½ percent on $500,157,956.40 face amount of bonds issued to the United States Government life insurance fund pursuant to sec. 5 of the Adjusted Compensation Payment Act of Jan. 27, 1936.

[19] Includes deposit of proceeds of appropriation for restoration of capital impairment of the Commodity Credit Corporation provided in act of June 25, 1938. The credit to this account is offset by an expenditure in the same amount under the caption "Recovery and relief: Agricultural aid," above.

[20] Includes $500,157,956.40, representing the amount classified by the Administrator of Veterans' Affairs for payment to the United States Government life insurance fund in 4½ percent bonds in accordance with sec. 5 of the Adjusted Compensation Payment Act of Jan. 27, 1936.

[21] The total amount of the receipts for the unemployment trust fund and the total amount of expenditures on account of unemployment trust fund investments shown for the month of March 1938 are $13,500,000 less and for the month of April 1938 are $13,500,000 more than the totals shown under these classifications for the same periods on p. 3 of the daily Treasury statements, due to the fact that the proceeds of redemptions of unemployment trust fund securities aggregating that amount were inadvertently included in the receipts on p. 3 for March, instead of being used as credits (reductions) of expenditures on account of investments and were adjusted on p. 3 in the month of April.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 4.—*Public debt receipts and expenditures, by classes, fiscal year 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Class	Receipts	Expenditures	Public debt increase or decrease (—)
Market operations:			
Cash:			
Treasury bills	$3,757,949,000.00	$4,856,487,000.00	—$1,098,538,000.00
Certificates of indebtedness		1,044,550.00	—1,044,550.00
Treasury notes	219,035,700.00	68,393,000.00	150,642,700.00
Treasury bonds	293,513,250.00	322,400.00	293,190,850.00
United States savings bonds (including unclassified sales)	505,174,718.85	66,868,862.75	438,305,856.10
Adjusted service bonds	12,750,800.00	82,624,500.00	—69,873,700.00
First Liberty bonds		13,782,900.00	—13,782,900.00
Fourth Liberty bonds		15,439,100.00	—15,439,100.00
Postal savings bonds		1,024,960.00	—1,024,960.00
Other debt items	197.60	1,184,123.72	—1,183,926.12
Retirement of national bank notes and Federal Reserve bank notes	600,000.00	59,110,840.00	—58,510,840.00
Total	4,789,023,666.45	5,166,282,236.47	—377,258,570.02
Exchanges:			
Treasury notes	1,056,719,300.00	2,673,808,600.00	—1,617,089,300.00
Treasury bonds	1,617,089,300.00		1,617,089,300.00
Total	2,673,808,600.00	2,673,808,600.00	

Class	Receipts	Expenditures	Public debt increase or decrease (—)
Special issues:			
Certificates of indebtedness:			
Adjusted service certificate fund	$32,000,000.00	$43,800,000.00	—$11,800,000.00
Unemployment trust fund	1,423,870,000.00	864,165,000.00	559,705,000.00
Treasury notes:			
Old-age reserve account	395,200,000.00		395,200,000.00
Railroad retirement account	81,200,000.00	15,000,000.00	66,200,000.00
Civil service retirement fund	151,600,000.00	72,100,000.00	79,500,000.00
Foreign service retirement fund	731,000.00	514,000.00	217,000.00
Canal Zone retirement fund	609,000.00	251,000.00	358,000.00
Alaska Railroad retirement fund	275,000.00		275,000.00
Postal Savings System	25,000,000.00	10,000,000.00	15,000,000.00
Federal Deposit Insurance Corporation	25,000,000.00	35,000,000.00	—10,000,000.00
Government life insurance fund	23,000,000.00		23,000,000.00
Total	2,158,485,000.00	1,040,830,000.00	1,117,655,000.00
Grand total	9,621,317,266.45	8,880,920,836.47	740,396,429.98

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 5.—*Public debt receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1934 to 1938*

[On basis of daily Treasury statements (unrevised), see p. 351]

	1937						1938		
	July	August	September	October	November	December	January	February	March
RECEIPTS									
Market operations:									
Cash:									
Treasury bills	$350,266,000.00	$400,300,000.00	$350,481,000.00	$200,283,000.00	$200,365,000.00	$250,387,000.00	$200,192,000.00	$200,543,000.00	$601,186,000.00
Treasury notes						219,035,700.00			
Treasury bonds						293,513,250.00			
United States savings bonds (including unclassified sales)	38,124,414.85	32,524,885.79	28,127,016.13	28,884,728.84	28,893,291.62	37,240,218.13	102,248,654.54	50,456,548.72	48,258,001.64
Treasury savings securities		42.20							
Deposits for retirement of national bank notes						600,000.00			
Subtotal	388,390,414.85	432,824,927.99	378,608,016.13	229,167,728.84	229,258,291.62	800,776,168.13	302,440,654.54	250,999,548.72	649,444,001.64
Adjusted service bonds	1,584,050.00	1,319,100.00	1,207,900.00	1,211,300.00	1,036,150.00	1,040,050.00	1,019,850.00	846,700.00	1,034,600.00
Exchanges:									
Treasury notes			775,514,200.00	90,000.00		13,339,500.00			
Treasury bonds						247,330,300.00			450,978,400.00
Subtotal			775,514,200.00	90,000.00		260,669,800.00			450,978,400.00
Special series:									
Adjusted service certificate fund (certificates)							32,000,000.00		
Unemployment trust fund (certificates)	29,066,000.00	68,618,000.00	47,955,000.00	37,719,000.00	78,178,000.00	50,880,000.00	37,054,000.00	85,400,000.00	23,000,000.00
Old-age reserve account (notes)	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00
Railroad retirement account (notes)		10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Civil service retirement fund (notes)	71,300,000.00						4,200,000.00	3,100,000.00	1,100,000.00
Foreign service retirement fund (notes)	367,000.00								
Canal Zone retirement fund (notes)	469,000.00								
Alaska Railroad retirement fund (notes)	189,000.00	12,000.00		12,000.00	14,000.00				
Postal Savings System (notes)							10,000,000.00	15,000,000.00	
Federal Deposit Insurance Corporation (notes)						10,000,000.00		15,000,000.00	
Subtotal	142,391,000.00	119,630,000.00	98,955,000.00	88,731,000.00	129,192,000.00	111,880,000.00	134,254,000.00	169,500,000.00	75,100,000.00
Total public debt receipts	532,365,464.85	553,774,027.99	1,254,285,116.13	319,200,028.84	359,486,441.62	1,174,366,018.13	437,714,504.54	421,346,248.72	1,176,557,001.64

104825—39——27

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 5.—*Public debt receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1934 to 1938*—Con.

	1938			Total fiscal year				
	April	May	June	1938	1937	1936	1935	1934
RECEIPTS—continued								
Market operations:								
Cash:								
Treasury bills	$350,983,000.00	$200,808,000.00	$452,155,000.00	$3,757,949,000.00	$3,604,543,000.00	$3,556,159,000.00	$4,007,066,000.00	$4,385,975,000.00
Treasury notes				219,035,700.00	852,904,100.00	2,590,266,150.00	476,483,900.00	2,143,978,700.00
Certificates of indebtedness								912,634,500.00
Treasury bonds				293,513,250.00	1,221,413,000.00	2,301,699,910.00	590,085,100.00	1,370,674,764.64
United States savings bonds (including unclassified sales)	40,166,020.93	35,356,582.27	34,373,584.07	504,653,947.53	519,731,008.77	265,239,521.00	62,567,043.75	
Treasury savings securities			155.40	197.60			11.88	990.00
Deposits for retirement of national bank notes				600,000.00		223,895,115.00	553,936,922.50	320,017,857.50
Subtotal	391,149,020.93	236,164,582.27	486,528,739.47	4,775,752,095.13	6,198,591,108.77	8,937,259,686.00	5,690,138,978.13	9,133,281,812.14
Adjusted service bonds	871,750.00	802,800.00	776,550.00	12,750,800.00	140,589,400.00	1,668,752,150.00		
Exchanges:								
Certificates of indebtedness								782,516,000.00
Treasury notes			267,775,600.00	1,056,719,300.00	204,425,400.00	795,517,400.00	4,202,409,600.00	568,707,700.00
Treasury bonds			918,780,600.00	1,617,089,300.00	1,546,939,100.00	2,182,661,400.00	2,761,307,850.00	2,807,228,400.00
Subtotal			1,186,556,200.00	2,673,808,600.00	1,751,364,500.00	2,978,178,800.00	6,963,717,450.00	4,158,452,100.00
Special series:								
Adjusted service certificate fund (certificates)				32,000,000.00	54,900,000.00	354,600,000.00	213,600,000.00	180,100,000.00
Unemployment trust fund (certificates)		85,000,000.00	881,000,000.00	1,423,870,000.00	596,439,000.00	37,070,000.00		
Old-age reserve account (notes)	10,800,000.00		15,400,000.00	395,200,000.00	267,100,000.00			
Railroad retirement account (notes)			1,200,000.00	81,200,000.00				
Civil service retirement fund (notes)	1,100,000.00	6,500,000.00	64,300,000.00	151,600,000.00	78,700,000.00	91,200,000.00	41,400,000.00	47,700,000.00
Foreign service retirement fund (notes)			364,000.00	731,000.00	881,000.00	631,000.00	765,000.00	772,000.00
Canal Zone retirement fund (notes)			140,000.00	609,000.00	634,000.00	2,378,000.00	111,000.00	97,000.00
Alaska Railroad retirement fund (notes)	30,000.00		18,000.00	275,000.00	52,000.00			
Postal Savings System (notes)				25,000,000.00		30,000,000.00	90,000,000.00	35,000,000.00
Postal savings bonds						23,744,000.00	25,718,880.00	27,579,500.00
Government life insurance fund (bonds)					500,157,956.40			
Government life insurance fund (notes)			23,000,000.00	23,000,000.00				
Federal Deposit Insurance Corporation (notes)				25,000,000.00			100,000,000.00	
Subtotal	11,930,000.00	91,500,000.00	985,422,000.00	2,158,485,000.00	1,498,863,956.40	536,623,000.00	471,594,880.00	291,248,500.00
Total public debt receipts	403,950,770.93	328,467,382.27	2,659,283,489.47	9,620,796,495.13	9,589,408,965.17	14,120,813,636.00	13,125,451,308.13	13,582,982,412.14

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

	1937						1938		
	July	August	September	October	November	December	January	February	March
EXPENDITURES									
Market operations:									
Cash:									
Treasury bills	$212,814,000.00	$201,951,000.00	$589,435,000.00	$206,790,000.00	$200,457,000.00	$689,910,000.00	$196,696,000.00	$209,227,000.00	$743,317,000.00
Certificates of indebtedness	196,950.00	294,350.00	14,750.00	117,300.00	36,200.00	154,000.00	136,100.00	21,000.00	24,100.00
Treasury notes	976,150.00	352,150.00	30,554,500.00	4,821,550.00	1,530,900.00	2,573,600.00	1,191,050.00	13,401,700.00	3,992,550.00
Treasury bonds	10,000.00			86,000.00		210,500.00		3,000.00	
United States savings bonds	4,488,177.00	4,004,782.00	4,835,351.75	6,115,067.50	5,165,671.50	5,098,664.75	5,548,639.25	4,876,316.25	6,489,787.50
Adjusted service bonds	11,900,600.00	9,092,750.00	8,468,400.00	8,196,850.00	6,473,400.00	6,453,550.00	5,666,750.00	4,760,450.00	5,532,650.00
First Liberty bonds	550,950.00	249,300.00	307,750.00	323,600.00	717,350.00	7,025,950.00	1,193,050.00	647,300.00	323,050.00
Fourth Liberty bonds	884,950.00	639,400.00	849,200.00	1,183,800.00	723,450.00	7,237,250.00	1,223,550.00	532,150.00	751,700.00
Postal savings bonds	712,460.00	2,900.00	3,080.00	460.00	600.00	500.00	298,120.00	1,200.00	3,020.00
Other debt items	18,612.50	34,285.25	24,571.00	134,023.75	20,387.75	731,336.50	36,033.50	29,950.20	19,952.25
National bank notes and Federal Reserve bank notes	7,212,645.00	4,374,215.00	5,377,080.50	6,918,980.00	5,343,670.00	5,298,390.00	5,730,459.50	4,700,660.00	3,698,430.00
Subtotal	239,765,494.50	220,995,132.25	639,869,683.25	234,687,631.25	220,468,629.25	724,693,741.25	217,719,752.25	238,200,726.45	764,152,239.75
Exchanges:									
Treasury notes			775,514,200.00	90,000.00		260,669,800.00			450,978,400.00
Treasury bonds									
Subtotal			775,514,200.00	90,000.00		260,669,800.00			450,978,400.00
Special series:									
Adjusted service certificate fund (certificates)	1,500,000.00	1,500,000.00	1,800,000.00	1,000,000.00		1,000,000.00	31,800,000.00	1,000,000.00	2,100,000.00
Unemployment trust fund (certificates)							13,000,000.00		13,500,000.00
Civil service retirement fund (notes)		1,900,000.00	2,000,000.00	2,100,000.00	1,800,000.00	2,200,000.00	1,900,000.00	1,900,000.00	2,200,000.00
Foreign service retirement fund (notes)	18,000.00	19,000.00	25,000.00	25,000.00	25,000.00	24,000.00	24,000.00	25,000.00	31,000.00
Canal Zone retirement fund (notes)		15,000.00	26,000.00	20,000.00	38,000.00	10,000.00	35,000.00	14,000.00	27,000.00
Postal Savings System (notes)									
Federal Deposit Insurance Corporation (notes)			5,000,000.00						20,000,000.00
Subtotal	1,518,000.00	3,434,000.00	8,851,000.00	3,145,000.00	1,863,000.00	3,234,000.00	46,759,000.00	2,939,000.00	37,858,000.00
Total public debt expenditures	241,283,494.50	224,429,132.25	1,424,234,883.25	237,922,631.25	222,331,629.25	988,597,541.25	264,478,752.25	241,139,726.45	1,252,988,639.75

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 5.—*Public debt receipts and expenditures, monthly July 1937 to June 1938, and annually for the fiscal years 1934 to 1938*—Con.

	1938			Total fiscal year				
	April	May	June	1938	1937	1936	1935	1934
EXPENDITURES—continued								
Market operations:								
Cash:								
Treasury bills	$402,381,000.00	$390,811,000.00	$812,698,000.00	$4,856,487,000.00	$3,666,199,000.00	$3,283,735,000.00	$3,326,590,000.00	$3,929,416,000.00
Certificates of indebtedness	11,550.00	11,500.00	16,750.00	1,034,550.00	2,533,700.00	4,159,000.00	33,078,700.00	106,366,850.00
Treasury notes	1,390,700.00	525,900.00	7,082,250.00	68,393,000.00	72,061,650.00	37,322,750.00	50,269,100.00	374,687,000.00
Treasury bonds	10,000.00		2,900.00	322,400.00	532,400.00	1,500.00	555,000.00	61,113,114.64
United States savings bonds	7,214,059.25	6,207,204.50	6,586,274.00	66,629,995.25	36,206,921.50	11,162,525.25	519,225.00	
War savings securities					11,853.00	16,024.25	21,833.75	23,143.25
Treasury savings securities					29,822.00	60,617.00	100,916.00	120,135.00
Victory notes					42,150.00	48,200.00	69,450.00	110,850.00
Adjusted service bonds	4,644,850.00	3,566,850.00	7,867,100.00	82,624,200.00	696,531,400.00	724,235,500.00		
First Liberty bonds	1,358,200.00	340,200.00	746,200.00	13,782,900.00	14,850,550.00	100,911,800.00	178,003,600.00	2,100.00
Second Liberty bonds					132,100.00	169,000.00	280,200.00	410,100.00
Third Liberty bonds					160,000.00	253,200.00	455,950.00	712,000.00
Fourth Liberty bonds	582,450.00	456,500.00	375,600.00	15,440,000.00	19,457,600.00	278,857,250.00	466,052,550.00	127,525,200.00
Postal savings bonds	720.00	500.00	1,400.00	1,024,960.00	1,789,200.00	1,798,160.00	1,799,500.00	2,238,200.00
Consols of 1930					8,950.00	596,705,650.00		
Panama Canal bonds					36,700.00	74,687,260.00		
Other debt items	46,047.75	38,933.02	47,333.25	1,181,466.72	2,061.11	4,687.80	3,303.33	5,638.92
National bank notes and Federal Reserve bank notes	3,701,350.00	3,782,750.00	2,972,210.00	59,110,840.00	114,402,169.00	423,476,842.50	247,310,320.00	116,725,126.00
Subtotal	421,340,927.00	405,741,337.52	838,396,017.25	5,166,031,311.97	4,624,988,226.61	5,542,004,966.80	4,305,109,648.08	4,719,455,457.81
Exchanges:								
Certificates of indebtedness							1,489,391,000.00	2,195,981,800.00
Treasury notes			1,186,556,200.00	2,673,808,600.00	1,751,364,500.00	1,979,800,100.00	1,252,377,600.00	234,464,300.00
Treasury bonds								
First Liberty bonds						481,500.00	1,610,405,050.00	
Fourth Liberty bonds						997,897,200.00	2,611,543,800.00	1,728,006,000.00
Subtotal			1,186,556,200.00	2,673,808,600.00	1,751,364,500.00	2,978,178,800.00	6,963,717,450.00	4,158,452,100.00
Special series:								
Adjusted service certificate fund (certificates)	1,100,000.00	1,000,000.00		43,800,000.00	144,100,000.00	383,300,000.00	175,900,000.00	154,300,000.00
Unemployment trust fund (certificates)	3,000,000.00		834,665,000.00	864,165,000.00	303,053,000.00	18,161,000.00		
Civil service retirement fund (notes)	1,800,000.00	2,300,000.00	52,000,000.00	72,100,000.00	44,000,000.00	64,200,000.00	32,400,000.00	35,800,000.00
Railroad retirement account (notes)	10,000,000.00	5,000,000.00		15,000,000.00				
Foreign service retirement fund (notes)	34,000.00	27,000.00	237,000.00	514,000.00	654,000.00	440,000.00	509,000.00	454,000.00
Canal Zone retirement fund (notes)	31,000.00	19,000.00	16,000.00	251,000.00	179,000.00	1,878,000.00	64,000.00	52,000.00
Postal Savings System (notes)	3,000,000.00	2,000,000.00	5,000,000.00	10,000,000.00	70,000,000.00	55,000,000.00		
Federal Deposit Insurance Corporation (notes)	10,000,000.00			35,000,000.00	5,000,000.00			
Subtotal	28,965,000.00	10,346,000.00	891,918,000.00	1,040,830,000.00	566,986,000.00	522,979,000.00	208,873,000.00	190,606,000.00
Total public debt expenditures	450,305,927.00	416,087,337.52	2,916,870,217.25	8,880,669,911.97	6,943,338,726.61	9,043,162,766.80	11,477,700,098.08	9,068,513,557.81

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 6.—*Classified receipts and expenditures for the fiscal years 1932 to 1938, arranged to correspond with the classification shown in daily Treasury statements beginning July 1, 1938*

[On basis of daily Treasury statements (unrevised), see p. 351]

	1932	1933	1934	1935	1936	1937	1938
GENERAL AND SPECIAL ACCOUNTS							
RECEIPTS							
Internal revenue:							
Income tax	$1,057,335,853.19	$746,206,444.95	$817,961,481.18	$1,099,118,637.90	$1,426,575,433.84	$2,157,526,981.33	$2,634,618,138.71
Miscellaneous internal revenue	503,670,481.19	858,217,511.61	1,469,593,550.29	1,657,191,518.70	[a] 2,009,626,581.25	2,181,217,856.04	2,279,453,099.10
Unjust enrichment tax						5,886,836.32	5,666,571.57
Taxes under Social Security Act:							
Title VIII						194,346,309.18	514,405,671.38
Title IX						57,751,019.29	90,103,584.91
Unclassified						63,511.09	[b] *60,610.39*
Taxes upon carriers and their employees					[a] 209.65	345,088.10	150,131,981.38
Processing tax on farm products			353,048,796.83	521,379,871.22	76,649,383.41	2,501.14	(1)
Customs	327,754,969.12	250,750,251.27	313,434,302.19	343,353,033.56	386,811,593.69	486,356,598.90	359,187,249.57
Miscellaneous receipts:							
Proceeds of Government-owned securities:							
Principal—foreign obligations		31,567,518.98	396,755.15	66,709.53	69,897.91	72,093.83	74,297.58
Interest—foreign obligations		67,190,207.22	20,033,594.10	601,114.48	477,414.59	518,492.67	513,773.24
Other	22,367,500.84	32,090,746.50	57,415,483.64	38,105,611.49	90,360,932.61	68,258,989.03	64,964,946.10
Panama Canal tolls, etc	22,588,375.22	23,267,500.34	27,103,068.08	24,704,262.38	25,899,995.07	25,371,003.00	25,107,974.85
Seigniorage			517,204.81	58,035,251.37	39,266,510.41	48,911,891.10	35,603,220.44
Other miscellaneous	72,008,257.58	70,406,560.89	56,049,813.26	57,911,191.33	60,218,662.70	67,211,065.85	81,891,328.55
Total	2,005,725,437.14	2,079,696,741.76	3,115,554,049.53	3,800,467,201.96	4,115,956,615.13	5,293,840,236.87	6,241,661,226.99
EXPENDITURES							
I. General:							
Departmental: [2 3]							
Legislative establishment	27,318,601.16	21,477,373.26	17,652,732.52	19,623,726.95	21,516,234.43	23,077,257.35	25,779,939.60
Executive proper	424,545.62	369,112.82	358,897.75	457,693.77	425,401.68	502,152.39	479,019.68
State Department	18,881,863.78	15,225,568.81	11,121,102.86	15,860,779.62	16,816,356.30	17,698,828.67	19,327,280.05
Treasury Department [4]	287,945,002.64	267,504,959.19	108,538,056.69	121,863,248.67	132,289,463.34	147,439,619.30	152,075,169.02
War Department (nonmilitary) [4 5]			4,109,859.43	2,128,302.12	1,486,458.78	3,214,465.19	2,964,605.98
Department of Justice	51,639,260.80	44,088,327.05	31,598,524.53	32,278,677.51	37,842,352.06	38,686,338.83	42,039,253.53
Post Office Department	125,898.90	57,882.41	12,205,729.73	[c] *14,258.16*	[c] *177,949.28*	[c] *2,622,327.06*	2,909,134.52
Department of the Interior	81,444,996.16	74,579,716.62	45,922,163.77	55,211,498.12	66,080,926.91	[a] 86,907,977.42	98,877,813.99
Department of Agriculture	318,975,817.05	250,981,139.02	58,362,572.39	62,036,811.90	76,748,809.25	101,265,690.36	112,774,127.32
Department of Commerce	52,700,200.47	45,968,153.14	27,452,419.86	32,315,736.67	35,133,687.10	36,178,077.46	41,177,583.75
Department of Labor	14,701,343.97	13,677,841.57	10,831,904.62	13,012,157.65	15,254,035.42	15,836,005.39	18,102,336.65
Shipping Board	51,540,826.67	28,518,830.33	[c] *9,644,425.59*	[c] *21,348,272.91*	[c] *12,109,468.01*	[c] *1,007,055.48*	2,972,975.36
United States Maritime Commission						[c] *5,080,523.51*	[c] *1,949,424.00*

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 6.—*Classified receipts and expenditures for the fiscal years 1932 to 1938, arranged to correspond with the classification shown in daily Treasury statements beginning July 1, 1938*—Continued

	1932	1933	1934	1935	1936	1937	1938
GENERAL AND SPECIAL ACCOUNTS—Continued							
EXPENDITURES—Continued							
I. General—Continued.							
Departmental [2] [3]—Continued.							
Rural Electrification Administration:							
Loans							$9, 159, 343. 23
Other						$939, 581. 29	1, 468, 169. 18
Independent offices and commissions	$52, 545, 270. 64	$45, 237, 407. 39	$22, 365, 462. 58	$29, 473, 078. 57	$40, 194, 688. 86	43, 433, 989. 18	41, 583, 202. 79
Unclassified items	45, 490. 67	*896, 138. 48*	360, 353. 02	*490, 566. 40*	2, 067, 785. 47	*1, 182, 841. 22*	46, 884. 13
	958, 289, 118. 53	806, 791, 173. 13	341, 335, 354. 16	362, 408, 815. 08	433, 568, 782. 31	505, 287, 235. 56	569, 787, 414. 78
Adjustment for disbursing officers' checks outstanding				−6, 416, 302. 83	−4, 463, 463. 07	−732, 802. 42	+438, 209. 47
Total departmental [3]	958, 289, 118. 53	806, 791, 173. 13	341, 335, 354. 16	355, 992, 512. 25	429, 105, 319. 24	[a] 504, 554, 433. 14	570, 225, 624. 25
Public buildings [2] [4]			75, 515, 813. 86	25, 269, 072. 94	15, 045, 264. 70	33, 990, 145. 78	60, 817, 513. 97
Public highways [2]					28, 799, 817. 06	89, 703, 051. 32	152, 036, 509. 61
River and harbor work and flood control [2]	116, 798, 680. 00	118, 391, 256. 03	78, 281, 478. 49	55, 118, 567. 21	71, 398, 632. 02	140, 478, 749. 80	164, 995, 448. 61
Reclamation projects [2] [6]					13, 889, 113. 53	5, 206, 778. 61	39, 907, 512. 71
Panama Canal [2]	10, 661, 804. 75	12, 672, 728. 59	9, 197, 147. 37	8, 766, 204. 74	11, 447, 778. 98	11, 917, 182. 08	11, 361, 129. 66
Postal deficiency (current) [7]	202, 876, 340. 63	117, 380, 192. 33	52, 003, 295. 62	63, 970, 404. 80	86, 038, 861. 60	48, 321, 786. 31	43, 407, 438. 40
Postal deficiency (prior years) [8]						*6, 424, 841. 78*	851, 422. 78
Railroad Retirement Act:							
Administrative expenses					270, 435. 28	1, 491, 898. 84	2, 613, 296. 73
Annuity payments						3, 985, 323. 28	*3, 985, 323. 28*
Unclassified						1, 442. 82	
Social Security Act:							
Administrative expenses:							
Social Security Board					501, 288. 08	15, 433, 916. 68	19, 613, 584. 38
Department of Commerce					46, 350. 00	101, 844. 48	8, 513. 70
Department of Labor					76, 936. 38	295, 198. 61	336, 379. 18
Grants to States:							
Social Security Board					23, 637, 015. 26	152, 890, 585. 79	254, 769, 184. 91
Department of Labor					1, 800, 213. 94	6, 215, 996. 14	7, 833, 235. 95
Treasury Department					2, 385, 670. 54	7, 819, 415. 33	8, 892, 079. 88
Unclassified					*2, 181. 70*	2, 181. 70	10. 61
United States Housing Authority [2]							165, 424. 32
District of Columbia (United States share)	9, 500, 000. 00	7, 775, 000. 00	5, 700, 000. 00	4, 539, 295. 00	5, 707, 500. 00	5, 000, 000. 00	5, 000, 000. 00
National defense: [3]							
Army [4] [5]	349, 989, 331. 52	318, 331, 028. 22	205, 305, 921. 93	212, 186, 712. 61	373, 014, 977. 68	359, 027, 974. 48	404, 701, 839. 33
Navy	357, 617, 833. 88	349, 561, 924. 59	274, 388, 386. 06	321, 410, 530. 43	391, 424, 149. 26	[9] 497, 033, 719. 01	569, 455, 393. 71
Veterans' Administration [2]	784, 841, 819. 60	763, 154, 886. 30	506, 549, 454. 14	555, 573, 274. 31	575, 982, 094. 01	580, 234, 708. 98	581, 764. 663. 30

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Agricultural adjustment program:							
Agricultural Adjustment Administration [10]			279,723,062.38	561,540,268.39	344,737,068.35	*c 21,505.85*	*c 334,458.59*
Agricultural Adjustment Administration [11]			c 9,331,966.40	150,278,834.56	27,850,207.41	10,765,452.04	17,001,480.91
Agricultural Adjustment Administration (act Aug. 24, 1935)					24,161,602.21	42,317,928.82	38,156,532.69
Agricultural contract adjustments					135,453,092.60	116,799,598.81	2,992,126.87
Soil Conservation and Domestic Allotment Act					322,037.35	357,199,796.39	303,852,184.12
Unclassified							*c 8,556.65*
Farm Tenant Act:							
Loans							2,275,429.47
Other							776,319.23
Unclassified							*c 92.08*
Civilian Conservation Corps [2]						321,130,997.53	324,986,035.04
Farm Credit Administration: [2 12]							
Crop loans						28,212,110.10	4,156,442.16
Other		*c 1,461,683.92*	23,123,288.26	12,979,061.00	11,551,343.05	*c 958,536.00*	4,016,787.73
Unclassified						18,293.78	*c 18,293.78*
Agricultural marketing fund (net) [12]	136,238,855.68	*c 3,254,996.45*					
Distribution of wheat and cotton for relief		34,240,628.21					
Tennessee Valley Authority [2]					21,016,755.48	[9] 41,995,141.08	42,002,238.16
Interest on the public debt	599,276,630.87	689,365,105.60	756,617,126.73	820,926,353.45	749,396,801.68	[13] 866,384,330.90	[13] 926,280,713.67
Refunds:							
Customs	17,202,968.59	12,576,841.79	14,046,350.08	20,715,688.49	14,085,195.44	16,549,408.30	16,156,340.00
Internal revenue	83,921,552.08	57,763,119.46	48,664,202.21	24,531,990.82	30,100,430.34	32,848,860.38	32,791,660.60
Processing tax on farm products			1,194,639.95	31,208,208.32	10,081,744.03	6,515,773.54	10,232,689.76
To States of taxes collected under title IX of the Social Security Act							40,561,886.43
Subtotal	3,627,214,936.13	3,283,287,203.88	2,680,977,487.64	3,225,006,979.32	3,399,325,513.80	4,297,689,142.24	4,660,648,348.45
II. Recovery and relief:							
Agricultural aid:							
Federal Farm Mortgage Corporation—reduction in interest rate on mortgages							5,726,515.05
Federal land banks:							
Capital stock	125,000,000.00	*c 242,545.00*	*c 1,737,780.00*	1,939,140.00	*c 1,046,185.00*	*c 3,847,885.00*	4,736,775.00
Subscriptions to paid-in surplus			40,863,477.16	33,630,185.59	32,467,994.63	35,198,811.40	32,977,497.53
Reduction in interest rates on mortgages			7,029,256.79	12,477,674.95	29,064,981.00	32,830,087.17	32,114,033.21
Commodity Credit Corporation:							
Subscription to capital stock by Reconstruction Finance Corporation					97,000,000.00		
Restoration of capital impairment							94,285,404.73
Other			2,811,949.79	136,420.18	*c 147,714.00*	24,347.57	66,965.57
Relief:							
Federal Emergency Relief Administration: [14]							
Reconstruction Finance Corporation funds		37,910,142.00	c 366,587,985.40	[15] 505,685,221.39	328,055.02	437,672.50	31,310.94
Other			340,764,358.89	1,315,308,715.70	495,263,931.95	11,963,614.00	4,337,769.82
Civil Works Administration			805,122,892.29	11,327,263.67	676,195.79	296,750.72	222,101.04
Civilian Conservation Corps [5]			331,940,851.40	435,508,643.05	486,281,193.58	64,676,732.28	1,396,512.57
Department of Agriculture, relief				80,561,249.99	2,882,448.90	476,249.44	2,472.25

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 6.—*Classified receipts and expenditures for the fiscal years 1932 to 1938, arranged to correspond with the classification shown in daily Treasury statements beginning July 1, 1938*—Continued

	1932	1933	1934	1935	1936	1937	1938
GENERAL AND SPECIAL ACCOUNTS—Continued							
EXPENDITURES—Continued							
II. Recovery and relief—Continued.							
Public works (including work relief):							
Reclamation projects [16]			$19,445,381.64	$23,820,507.04	$10,023,710.53	$9,739,350.60	$25,498,296.95
Public highways			267,882,017.66	317,356,940.05	215,095,581.31	260,908,921.92	84,575,923.50
River and harbor work and flood control			72,450,381.47	147,924,751.64	152,318,737.09	94,483,515.42	33,639,018.24
Rural Electrification Administration				16,820.93	1,402,654.17	7,971,444.14	4,565,206.87
Works Progress Administration					1,263,661,490.21	1,896,446,658.29	1,472,499,478.21
Other:							
Administrative expenses, Public Works Administration			6,539,315.18	14,561,002.60	25,255,459.16	27,431,347.70	15,109,011.28
Legislative establishment			123,381.50	486,103.10	1,603,049.42	1,094,468.38	515,895.17
State Department			747,170.01	2,659,016.08	886,636.83	58,904.59	1,650,879.27
Treasury Department:							
Public Buildings			3,190,455.42	32,756,840.70	52,942,371.69	42,259,124.39	15,889,790.32
Other			18,928,120.22	5,615,951.73	35,846,747.42	37,200,437.49	24,750,372.42
War Department (nonmilitary) [5]			775,477.97	1,488,375.48	*391,532.79*	21,838.77	316.97
National defense:							
Army [5]			38,023,229.37	61,298,999.11	9,639,105.49	19,204,505.16	26,863,051.55
Navy			22,640,904.90	115,037,329.60	137,607,516.68	59,800,730.48	26,822,907.09
Panama Canal			751,480.25	243,541.54	4,950.30		
Department of Justice			137,450.23	531,703.81	781,695.11	937,618.09	1,210,708.29
Post Office Department			6,198.00				
Department of the Interior			20,193,365.64	53,136,034.00	55,128,930.27	83,712,826.75	32,407,750.59
Department of Agriculture			13,002,563.35	15,722,946.75	54,899,540.72	62,136,316.23	27,342,732.98
Department of Commerce			5,170,815.47	10,197,883.69	9,581,748.16	5,314,206.81	569,517.13
Department of Labor			1,908,471.87	6,260,630.26	11,663,302.98	14,894,691.32	7,528,698.21
Veterans' Administration			401,033.60	1,491,450.37	1,908,497.75	409,684.52	213,071.61
Independent offices and commissions			905,286.01	4,490,965.39	8,398,151.81	12,230,442.60	13,065,141.33
District of Columbia			180,911.17	957,701.03	219,873.53	117,729.97	9,332.44
Unclassified items			*339,918.19*	418,175.19	*642,825.90*	715,837.57	223,839.46
Aid to home owners:							
Home loan system:							
Reconstruction Finance Corporation funds:							
Home loan bank stock		$42,970,000.00	38,475,700.00	200,000.00	17,696,300.00	20,664,100.00	4,734,900.00
Home Owners' Loan Corporation		1,000,000.00	153,000,000.00	46,000,000.00			
Federal savings and loan associations			754,800.00	29,486,784.08	19,689,058.26	22,183.66	11,797.85
Emergency housing			369,351.41	6,479,835.47	24,906,423.42	50,734,419.78	22,457,595.22
United States Housing Authority							20,487,826.32
Federal Housing Administration:							
Reconstruction Finance Corporation funds				15,046,858.01	14,727,039.92	16,434,676.15	11,725,002.46
Other				917,015.01	*222,439.78*	305,403.98	16.99
Farm Security Administration [17]			2,372,312.69	5,423,600.77	138,015,987.65	209,695,567.17	180,149,108.66

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Miscellaneous:							
Reconstruction Finance Corporation:							
Subscription to capital stock	$500,000,000.00						
Disaster Loan Corporation stock						6,000,000.00	4,000,000.00
Loans and grants to States, municipalities, etc., under act July 21, 1932		298,073,703.77	486,932.23	[c] *871,628.00*	[c] *1,274,587.00*	[c] *13,534,330.00*	[c] *254,374.30*
Other		5,476,074.65	14,154,123.43	3,654,845.47	3,997,667.73	2,616,380.77	3,405,199.62
Export-Import Banks of Washington			63,532.67	1,633.11	85,960.85	1,092,873.79	2,703.70
Federal Deposit Insurance Corporation			149,502,149.65	497,850.35			
Administration for Industrial Recovery			6,632,491.49	12,496,730.81	5,111,371.02	4,873.17	[c] *4,522.24*
Tennessee Valley Authority			11,036,794.57	36,148,537.34	27,814,668.09		
Subtotal	625,000,000.00	385,187,375.42	2,763,294,672.60	3,368,530,247.03	3,441,153,793.97	3,073,383,129.74	2,237,563,551.87
III. Revolving funds (net):							
Agricultural aid:							
Farm Credit Administration:							
Reconstruction Finance Corporation funds:							
Crop production loans	61,867,202.03	37,148,880.24	[c] *52,392,665.72*	[c] *4,383,977.67*	[c] *1,271,841.13*	[c] *810,401.55*	[c] *633,621.71*
Regional agricultural credit corporations		[a] 38,840,178.25	7,756,815.01	8,603,628.15	[c] 17,779,645.80	[c] *13,933,501.37*	[c] *7,918,444.60*
Loans to joint stock land banks			941,044.35	[c] *904,325.15*	[c] *110,249.64*	[c] *273,430.64*	[c] *75,487.51*
Farm mortgage relief		110,023.55	114,129,660.31	[c] *154.78*	21.36		
Federal Farm Mortgage Corporation			85,760,050.52	265.62			
Federal intermediate credit banks			25,000,000.00	15,000,000.00			
Farm Credit Administration		[c] *2,294,738.91*	37,969,954.69	11,248,180.18	445,640.62	338,545.49	201,387.21
Unclassified				[18]	107.50	[c] *1,072.04*	964.54
Other			[a] 127,168,304.97	111,827,178.61	[c] *14,507,265.28*	[c] *3,146,190.07*	[c] *4,220,899.84*
Public works:							
Loans and grants to States, municipalities, etc			78,596,229.75	137,707,417.46	172,116,011.89	224,480,428.44	136,875,352.65
Loans to railroads			70,739,000.00	66,230,752.95	[c] *127,881,597.53*	[c] *3,118,619.22*	[c] *3,276,579.83*
Subtotal	61,867,202.03	73,804,343.13	495,668,393.88	345,328,985.37	11,011,182.19	203,535,759.04	120,952,670.86
IV. Transfers to trust accounts, etc.:							
Old-age reserve account						265,000,000.00	387,000,000.00
Railroad retirement account							146,402,587.18
Adjusted service certificate fund	200,000,000.00	100,000,000.00	50,000,000.00	50,000,000.00	1,773,492,531.72	[18] 556,665,424.68	
Government employees retirement funds (United States share):							
Civil service retirement fund	20,850,000.00	20,850,000.00	20,850,000.00	20,850,000.00	40,000,000.00	46,050,000.00	72,392,000.00
Foreign service retirement fund	215,000.00	416,000.00	292,700.00	159,100.00	162,400.00	185,300.00	188,000.00
Canal Zone retirement fund					500,000.00	500,000.00	500,000.00
Alaska Railroad retirement fund							175,000.00
Subtotal	221,065,000.00	121,266,000.00	71,142,700.00	71,009,100.00	1,814,154,931.72	868,400,724.68	606,657,587.18

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 6.—*Classified receipts and expenditures for the fiscal years 1932 to 1938, arranged to correspond with the classification shown in daily Treasury statements beginning July 1, 1938*—Continued

	1932	1933	1934	1935	1936	1937	1938
GENERAL AND SPECIAL ACCOUNTS—Continued							
EXPENDITURES—Continued							
V. Debt retirements:							
Sinking fund	$412,554,750.00	$425,660,300.00	$359,490,900.00	$573,001,000.00	$403,238,650.00	$103,815,200.00	$65,121,550.00
Purchases and retirements from foreign repayments		30,977,000.00					
Received from foreign governments under debt settlements		2,909,650.00	357,850.00			142,000.00	210,000.00
Estate taxes, forfeitures, gifts, etc	75,000.00	2,057,850.00	15,342.90	557,250.00	1,500.00	14,000.00	133,400.00
Subtotal	412,629,750.00	461,604,800.00	359,864,092.90	573,558,250.00	403,240,150.00	103,971,200.00	65,464,950.00
Total expenditures	4,947,776,888.16	4,325,149,722.43	6,370,947,347.02	7,583,433,561.72	9,068,885,571.68	8,546,379,955.70	7,691,287,108.36
Excess of expenditures over receipts	2,942,051,451.02	2,245,452,980.67	3,255,393,297.49	3,782,966,359.76	4,952,928,956.55	3,252,539,718.83	1,449,625,881.37
TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.							
RECEIPTS [19]							
Trust accounts:							
District of Columbia	36,893,540.36	33,356,950.72	33,253,805.75	47,957,060.39	41,552,354.50	38,698,079.60	45,380,582.62
Government life insurance fund	71,906,719.56	71,144,899.11	72,026,323.29	69,531,574.98	70,340,596.19	[13] 93,075,900.83	[13] 93,459,208.42
Adjusted service certificate fund		5,793,283.30	4,807,393.08	5,781,188.04	10,468,355.27	4,136,905.76	1,475,212.45
Civil service retirement fund:							
Transfers from General Fund (United States and District of Columbia shares)	21,000,000.00	21,000,000.00	21,000,000.00	21,000,000.00	40,150,000.00	46,200,000.00	73,234,760.00
Deductions from employees' salaries, etc	30,421,896.76	30,336,816.28	28,720,103.26	29,916,760.79	32,248,956.57	34,975,743.82	37,272,634.54
Interest and profits on investments	8,588,812.85	9,752,298.53	10,518,358.79	10,822,890.96	11,712,785.15	13,012,960.98	16,635,825.67
Foreign service retirement fund:							
Transfers from General Fund (United States share)	215,000.00	416,000.00	292,700.00	159,100.00	162,400.00	185,300.00	188,000.00
Deductions from employees' salaries, etc	173,904.54	177,520.48	163,733.60	177,052.74	174,364.95	190,926.02	190,248.95
Interest on investments	64,678.69	84,752.00	98,502.69	107,083.29	116,962.74	124,872.23	133,896.55
Canal Zone retirement fund:							
Transfers from General Fund (United States share)					500,000.00	500,000.00	500,000.00
Deductions from employees' salaries, etc	2,207,741.36	475,945.57	506,262.88	458,329.55	473,633.57	508,491.78	508,617.35
Interest on investments	66,385.89	84,985.31	88,894.58	91,031.23	111,226.46	129,667.64	145,882.53
Alaska Railroad retirement fund:							
Transfers from General Fund (United States share)							175,000.00
Deductions from employees' salaries, etc						96,371.43	156,207.87
Interest on investments						490.96	10,972.28
Indian tribal funds	3,089,342.95	2,777,238.42	4,640,100.58	6,680,888.82	6,861,212.44	6,948,815.62	6,725,897.33

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Insular possessions:							
Processing tax				12,540,924.29	2,634,144.63		
Other				16,410,363.54	16,428,275.62	18,218,161.35	15,380,008.57
Other	3,612,966.04	4,674,749.08	6,997,512.25	31,811,668.29	43,361,032.96	44,007,859.56	30,355,263.54
Unclassified items			358,899.88	[b] *2,626,582.56*	2,344,034.45	[b] *154,426.44*	599,458.39
Increment resulting from reduction in the weight of the gold dollar			2,811,375,756.72	1,738,019.63	784,464.60	1,676,187.53	1,094,842.97
Seigniorage [20]				140,111,441.47	175,789,415.49	39,786,924.30	90,351,012.40
Unemployment trust fund:							
Deposits by States					18,857,720.50	291,702,689.28	747,660,496.77
Interest on investments					91,700.94	2,737,181.92	15,172,022.11
Old-age reserve account:							
Transfers from General Fund						265,000,000.00	387,000,000.00
Interest on investments						2,261,810.97	15,412,232.89
Railroad retirement account:							
Transfers from General Fund							146,402,587.18
Interest on investments							1,410,821.92
Total	178,240,989.00	180,075,438.80	2,994,848,347.35	392,668,795.45	475,163,637.03	904,020,915.14	1,727,031,693.30
EXPENDITURES [19]							
Trust accounts:							
District of Columbia	39,524,773.60	34,604,340.55	30,689,804.67	42,810,801.87	46,010,686.07	42,851,400.49	46,452,721.05
Government life insurance fund	74,345,104.97	70,398,704.52	71,498,480.36	68,693,600.44	68,460,252.57	73,686,787.40	113,718,660.98
Adjusted service certificate fund	[c] *6,055,532.51*	9,419,647.22	6,232,817.18	6,529,081.55	[c] *12,299,621.43*	26,058,769.80	2,269,602.66
Civil service retirement fund:							
Annuities and refunds	27,620,612.72	34,567,140.34	47,583,181.73	52,784,249.26	56,640,942.53	59,087,261.32	62,489,850.22
Investments	32,400,000.00	26,500,000.00	11,900,000.00	9,000,000.00	27,000,000.00	34,700,000.00	64,508,437.25
Foreign service retirement fund:							
Annuities and refunds	127,123.47	160,672.14	239,829.33	204,988.42	243,633.63	265,498.84	308,449.14
Investments	317,000.00	513,000.00	318,000.00	256,000.00	191,000.00	227,000.00	217,000.00
Canal Zone retirement fund:							
Annuities and refunds	184,006.46	345,586.75	530,233.20	527,506.08	580,505.18	668,686.45	798,420.20
Investments	2,064,000.00	193,000.00	45,000.00	47,000.00	500,000.00	455,000.00	358,000.00
Alaska Railroad retirement fund:							
Annuities and refunds						15,327.79	68,902.29
Investments						52,000.00	275,000.00
Indian tribal funds	9,723,320.20	4,475,601.54	1,617,866.92	1,294,669.64	13,031,704.41	7,656,102.49	8,286,690.04
Other	2,943,217.33	3,790,617.49	[c] *10,842,936.86*	4,666,538.54	47,309,319.35	33,765,080.65	27,272,499.37
Unclassified items	205,412.79	117,116.98	155,963.08	304,327.07	[c] *1,724,065.88*	1,189,508.26	23,264.63
Transactions in checking accounts of governmental agencies (net), etc.:							
Commodity Credit Corporation:							
Reconstruction Finance Corporation funds			161,529,985.06	[c] *60,280,485.04*	32,862,736.53	[c] *111,812,104.91*	95,426,055.55
Other							[c] [21] *94,285,404.73*
Export-Import Banks of Washington—Reconstruction Finance Corporation funds			2,590,791.48	[c] *2,618,129.74*	19,495,496.91	[c] *2,545,584.75*	[c] *1,206,460.00*
Rural Electrification Administration—Reconstruction Finance Corporation funds						2,282,787.45	33,930,430.61
Reconstruction Finance Corporation	205,868,006.52	817,803,904.18	569,981,961.39	[c] *144,709,781.37*	[c] *241,445,547.51*	[c] *329,146,506.02*	41,222,547.48
Other [22]				[c] *429,528,749.56*	80,788,693.33	127,380,803.28	[c] *279,074,125.33*

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 6.—*Classified receipts and expenditures for the fiscal years 1932 to 1938, arranged to correspond with the classification shown in daily Treasury statements beginning July 1, 1938*—Continued

	1932	1933	1934	1935	1936	1937	1938
TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.—Continued							
EXPENDITURES—Continued							
Trust accounts—Continued.							
Chargeable against increment on gold:							
Exchange stabilization fund			$2,000,000,000.00				
Melting losses, etc.				$675,121.93	$791,845.87	$333,153.63	$34,678.99
Payments to Federal Reserve banks (sec. 13b, Federal Reserve Act, as amended)				20,931,857.34	5,614,453.63	875,000.00	125,000.00
For retirement of national bank notes				91,415,650.00	397,422,480.00	99,573,790.50	51,478,739.50
Unemployment trust fund:							
Investments					18,909,000.00	293,386,000.00	559,705,000.00
Withdrawals by States						1,000,000.00	190,975,000.00
Old-age reserve account:							
Investments						267,100,000.00	395,200,000.00
Benefit payments						26,969.35	5,404,062.87
Railroad retirement account:							
Investments							66,200,000.00
Benefit payments							79,849,056.18
Total	$389,287,045.55	$1,002,889,331.71	2,894,070,977.54	[c] *836,995,753.57*	560,383,515.19	629,132,732.02	1,472,032,068.90
Excess of receipts over expenditures			100,777,369.81	729,664,549.02		274,888,183.12	254,999,624.40
Excess of expenditures over receipts	211,046,056.55	822,813,892.91			85,219,878.16		

[a] Revised to adjust classification. [b] Counter-entry receipts (deduct). [c] Excess of credits (deduct).

[1] Included in "Miscellaneous internal revenue."

[2] Additional expenditures on these accounts are included under "Recovery and relief" and "Revolving funds (net)."

[3] The Executive order of June 10, 1933, as amended, provides for the transfer of the function of disbursement of all moneys of the United States (except those relating to the Military and Naval Establishments, rivers and harbors, and Panama Canal) to the Division of Disbursement, Treasury Department. The transfer of such functions in Washington, D. C., of the several departments and establishments subject to the Executive order of June 10, 1933, was completed on July 1, 1934. Therefore, effective July 1, 1934, in the interest of economy and efficiency, the disbursements by the Division of Disbursement, Treasury Department, which appear in daily Treasury statements under the caption "Departmental expenditures" are on the basis of checks issued. The totals shown, after making adjustment of outstanding checks of the Division of Disbursement, relating to such "Departmental expenditures," are on the basis of checks paid as published heretofore.

[4] The classification of general expenditures for public building construction and sites, Treasury Department, and for War Department (nonmilitary) prior to the fiscal year 1934 is not available, and such expenditures are therefore included in general expenditures under Treasury Department and National defense—Army, respectively.

[5] The expenditures for the fiscal year 1936 include adjustments in the classification of repayments to appropriations deposited by Army disbursing officers in the fiscal years 1934 and 1935, as follows:

Increase:	
General expenditures: National defense—Army	$65,581,618.38
Decrease:	
General expenditures: War Department (nonmilitary)	606,962.63
Recovery and relief expenditures:	
Civilian Conservation Corps	50,789,925.21

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Public works—other:	
War Department (nonmilitary)	639,572.20
National defense—Army	13,071,778.73
Trust accounts—other	473,379.61
	65,581,618.38

[8] Expenditures under this caption for the fiscal year 1937 include only Boulder Canyon project, other reclamation projects being included in "Departmental—Department of the Interior."

[7] The item "Postal Deficiency" represents advances from the General Fund of the Treasury to the Postmaster General to meet deficiencies in the postal revenues. These figures do not reflect any allowances for offsets on account of extraordinary expenditures or the cost of free mailings contributing to the deficiency of postal revenues certified to the Secretary of the Treasury by the Postmaster General pursuant to the act of Congress approved June 9, 1930. Further, the expenditures shown above on account of postal deficiency for the fiscal years 1937 and 1938 are exclusive of $16,245,165.06 and $718,699.88, respectively, on account of transfers of appropriations from the Post Office Department to the U. S. Maritime Commission pursuant to the act of June 29, 1936 (49 Stat. 1988). These transferred funds when expended by the U. S. Maritime Commission are classified as "Departmental—U. S. Maritime Commission."

[8] The figures for the fiscal year 1938 represent payments and repayments of $8,780,085.63 and $7,928,662.85, respectively, on acccount of adjustments of grants for prior years. The net adjustment is $851,422.78. The figures for the fiscal year 1937 represent repayment of funds by Post Office Department on account of grants for fiscal years 1925 to 1933.

[9] The total expenditures for the fiscal year 1937 for "National defense, Navy" and for "Tennessee Valley Authority" shown in this statement disagree with the totals for the same classification on p. 2 of the daily Treasury statement for June 30, 1937, in the amount of $1,000 due to compensating differences of that amount between these classifications and the figures shown in the latter statement.

[10] Payable from processing taxes on farm products or advances from the Treasury to be deducted from processing taxes.

[11] Formerly classified under "Recovery and relief—Agricultural aid."

[12] On and after May 27, 1933, repayments of loans made from Agricultural marketing fund—Federal Farm Board, the interest thereon, are reflected as credits in the expenditures of the Farm Credit Administration.

[13] Includes $22,507,108.04, representing 1 year's interest at 4½ percent on $500,157,956.40 face amount of bonds issued to the United States Government life insurance fund pursuant to sec. 5 of the Adjusted Compensation Payment Act of Jan. 27, 1936.

[14] Includes expenditures made by Federal Surplus Commodities Corporation from funds provided for the Federal Emergency Relief Administration.

[15] Revised to adjust classification of an item of $110,000 formerly shown as "Unclassified" under Farm Credit Administration—Reconstruction Finance Corporation funds which has been transferred to Federal Emergency Relief Administration—Reconstruction Finance Corporation.

[16] Expenditures under this caption for the fiscal years 1934 to 1937 include only Boulder Canyon project, other reclamation projects being included in "Public Works—All other—Department of the Interior."

[17] Includes expenditures on account of subsistence homesteads.

[18] Includes $500,157,956.40, representing the amount classified by the Administrator of Veterans' Affairs for payment to the United States Government life insurance fund in 4½ percent bonds in accordance with sec. 5 of the Adjusted Compensation Payment Act of Jan. 27, 1936.

[19] Effective Dec. 31, 1937, transfers from the General Fund are treated as receipts instead of offsets against expenditures. The figures for the fiscal year 1937, therefore, include adjustments on this account and in that respect disagree with figures heretofore shown on p. 2 of daily Treasury statements on the last day of the month and on p. 7 on the 15th of the month.

[20] This item of seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934, and under the President's proclamation dated Aug. 9, 1934.

[21] Represents deposit of proceeds of appropriation for restoration of capital impairment of the Commodity Credit Corporation provided in act of June 25, 1938. The credit to this account is offset by an expenditure in the same amount under the caption "Recovery and relief: Agricultural aid," above.

[22] The figures for the fiscal year 1935 include $333,245,377.93, which amount represents transfers on May 31, 1935, of balances in checking accounts of certain special agencies of the Government. The figures since that date represent net transactions of those agencies.

NOTE.—This statement is revised to provide uniform classification of receipts and expenditures on a comparable basis in accordance with procedure set forth in announcement (see p. 347) accompanying the daily Treasury statement of July 1, 1938. It differs from the comparative statement accompanying the daily Treasury statement of July 15, 1938, in that the former was only arranged to correspond with the new classification, while this statement is revised to show, retroactively for the fiscal years 1932 to 1938, expenditures on the basis of the new procedure.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 7.—*Receipts and expenditures for the fiscal years 1789 to 1938*[1]

[On basis of warrants issued from 1789 to 1915, inclusive, and on basis of daily Treasury statements (unrevised) from 1916 to 1938, see p. 351. General, special, emergency, and trust accounts combined from 1789 to 1930, inclusive. Trust accounts excluded from 1931 and subsequent years. For explanation of accounts, see p. 352]

Year	Ordinary receipts							Postal revenues,[3] exclusive of surplus postal receipts covered into the Treasury	Total ordinary receipts and postal revenues	Surplus (+) or deficit (−) of ordinary receipts covered into the Treasury compared with expenditures chargeable against ordinary receipts[4]
	Customs (including tonnage tax)	Internal revenue		Sales of public lands[2]	Surplus postal receipts covered into the Treasury	Miscellaneous	Total ordinary receipts			
		Income and profits taxes	Miscellaneous							
1789–91	$4,399,473					$19,440	$4,418,913	$91,739	$4,510,652	+$149,886
1792	3,443,071		$208,943			17,946	3,669,960	67,443	3,737,403	−1,409,572
1793	4,255,307		337,706		$11,021	48,889	4,652,923	93,725	4,746,648	+170,610
1794	4,801,065		274,090		29,478	327,272	5,431,905	99,469	5,531,374	−1,558,934
1795	5,588,461		337,755		22,400	165,918	6,114,534	138,220	6,252,754	−1,425,275
1796	6,567,988		475,290	$4,836	72,910	1,256,506	8,377,530	122,156	8,499,686	+2,650,544
1797	7,549,650		575,491	83,541	64,500	415,599	8,688,781	149,498	8,838,279	+2,555,147
1798	7,106,062		644,358	11,963	39,500	98,613	7,900,496	193,477	8,093,973	+223,992
1799	6,610,449		779,136		41,000	116,228	7,546,813	223,846	7,770,659	−2,119,642
1800	9,080,933		809,396	444	78,000	879,976	10,848,749	202,804	11,051,553	+62,674
1801	10,750,779		1,048,033	167,726	79,500	889,293	12,935,331	240,942	13,176,273	+3,540,749
1802	12,438,236		621,899	188,628	35,000	1,712,031	14,995,794	292,044	15,287,838	+7,133,676
1803	10,479,418		215,180	165,676	16,427	187,397	11,064,098	335,395	11,399,493	+3,212,445
1804	11,098,565		50,941	487,527	26,500	162,774	11,826,307	362,949	12,189,256	+3,106,865
1805	12,936,487		21,747	540,194	21,343	40,922	13,560,693	400,030	13,960,723	+3,054,459
1806	14,667,698		20,101	765,246	41,118	65,768	15,559,931	404,987	15,964,918	+5,756,314
1807	15,845,522		13,051	466,163	3,615	69,668	16,398,019	475,147	16,873,166	+8,043,868
1808	16,363,551		8,211	647,939		40,961	17,060,662	460,564	17,521,226	+7,128,170
1809	7,296,021		4,044	442,252		31,156	7,773,473	506,633	8,280,106	−2,507,275
1810	8,583,309		7,431	696,549		96,926	9,384,215	551,684	9,935,899	+1,227,705
1811	13,313,223		2,296	1,040,238	38	67,734	14,423,529	587,208	15,010,737	+6,365,192
1812	8,958,778		4,903	710,428	85,040	41,984	9,801,133	564,168	10,365,301	−10,479,638
1813	13,224,623		4,755	835,655	35,000	240,377	14,340,410	668,154	15,008,564	−17,341,442
1814	5,998,772		1,662,985	1,135,971	45,000	2,338,897	11,181,625	685,370	11,866,995	−23,539,301
1815	7,282,942		4,678,059	1,287,959	135,000	2,345,064	15,729,024	908,065	16,637,089	−16,979,115
1816	36,306,875		5,124,708	1,717,985	149,788	4,378,315	47,677,671	811,994	48,489,665	+17,090,980
1817	26,283,348		2,678,101	1,991,226	29,372	2,117,003	33,099,050	973,601	34,072,651	+11,255,230
1818	17,176,385		955,270	2,606,565	20,070	826,881	21,585,171	1,110,165	22,695,336	+1,760,050
1819	20,283,609		229,594	3,274,423	71	815,678	24,603,375	1,204,666	25,808,041	+3,139,565
1820	15,005,612		106,261	1,635,872	6,466	1,126,459	17,880,670	1,105,461	18,986,131	−379,957
1821	13,004,447		69,028	1,212,966	517	286,422	14,573,380	1,058,570	15,631,950	−1,237,373

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

1822	17,589,762		67,666	1,803,582	602	770,816	20,232,428	1,116,888	21,349,316	+5,232,208
1823	19,088,433		34,242	916,523	111	501,357	20,540,666	1,130,004	21,670,670	+5,833,826
1824	17,878,326		34,663	984,418		483,806	19,381,213	1,197,758	20,578,971	−945,495
1825	20,098,713		25,771	1,216,091	470	499,813	21,840,858	1,306,055	23,146,913	+5,983,629
1826	23,341,332		21,590	1,393,785	300	503,427	25,260,434	1,447,403	26,707,837	+8,224,637
1827	19,712,283		19,886	1,495,845	101	1,738,249	22,966,364	1,524,532	24,490,896	+6,827,196
1828	23,205,524		17,452	1,018,309	20	522,325	24,763,630	1,659,895	26,423,525	+8,368,787
1829	22,681,966		14,503	1,517,175	87	613,896	24,827,627	1,707,331	26,534,958	+9,624,294
1830	21,922,391		12,161	2,329,356	55	580,153	24,844,116	1,850,528	26,694,644	+9,701,050
1831	24,224,442		6,934	3,210,815	561	1,084,069	28,526,821	1,997,250	30,524,071	+13,279,170
1832	28,465,237		11,631	2,623,381	245	765,067	31,865,561	2,258,325	34,123,886	+14,576,611
1833	29,032,509		2,759	3,967,683		945,476	33,948,427	2,617,011	36,565,438	+10,930,875
1834	16,214,957		4,196	4,857,601	100	715,082	21,791,936	2,823,649	24,615,585	+3,164,367
1835	19,391,311		10,459	14,757,601	893	1,269,823	35,430,087	2,992,663	38,422,750	+17,857,274
1836	23,409,941		370	24,877,180	11	2,539,294	50,826,796	3,408,312	54,235,108	+19,958,632
1837	11,169,290		5,494	6,776,237		7,003,132	24,954,153	4,101,703	29,055,856	−12,289,343
1838	16,158,800		2,467	3,081,940		7,059,355	26,302,562	4,238,733	30,541,295	−7,562,497
1839	23,137,925		2,553	7,076,447		1,265,824	31,482,749	4,484,657	35,967,406	+4,583,621
1840	13,499,502		1,682	3,292,683		2,686,248	19,480,115	4,543,522	24,023,637	−4,837,464
1841	14,487,217		3,261	1,365,627		1,004,055	16,860,160	4,407,726	21,267,886	−9,705,713
1842	18,187,909		495	1,335,708		451,996	19,976,198	4,546,850	24,523,048	−5,229,563
1843[1]	7,046,844		103	897,818		357,937	8,302,702	4,296,225	12,598,927	−3,555,373
1844	26,183,571		1,777	2,059,940		1,076,086	29,321,374	4,237,288	33,558,662	+6,983,803
1845	27,528,113		3,517	2,077,022		361,454	29,970,106	4,289,842	34,259,948	+7,032,698
1846	26,712,668		2,897	2,694,452		289,950	29,699,967	3,487,199	33,187,166	+1,933,042
1847	23,747,865		375	2,498,355		249,174	26,495,769	3,880,309	30,376,078	−30,785,643
1848	31,757,071		375	3,328,643		649,690	35,735,779	4,555,211	40,290,990	−9,641,447
1849	28,346,739			1,688,960		1,172,444	31,208,143	4,705,176	35,913,319	−13,843,514
1850	39,668,686			1,859,894		2,074,859	43,603,439	5,499,985	49,103,424	+4,059,947
1851	49,017,568			2,352,305		1,189,431	52,559,304	6,410,604	58,969,908	+4,850,287
1852	47,339,327			2,043,240		464,249	49,846,816	5,184,527	55,031,343	+5,651,897
1853	58,931,866			1,667,085		988,103	61,587,054	5,240,725	66,827,779	+13,402,943
1854	64,224,190			8,470,798		1,105,353	73,800,341	6,255,586	80,055,927	+15,755,479
1855	53,025,794			11,497,049		827,732	65,350,575	6,642,136	71,992,711	+5,607,907
1856	64,022,863			8,917,645		1,116,191	74,056,699	6,920,822	80,977,521	+4,485,673
1857	63,875,905			3,829,487		1,259,921	68,965,313	7,353,952	76,319,265	+1,169,605
1858	41,789,621			3,513,716		1,352,029	46,655,366	7,486,793	54,142,159	−27,529,904
1859	49,565,824			1,756,687		2,163,954	53,486,465	7,908,484	61,454,949	−15,584,512
1860	53,187,512			1,778,558		1,098,538	56,064,608	8,518,067	64,582,675	−7,065,990
1861	39,582,126			870,659		1,057,146	41,509,931	8,349,296	49,859,227	−25,036,714
1862	49,056,398			152,204		2,778,854	51,987,456	8,299,821	60,287,277	−422,774,363
1863	69,059,642	$2,741,858	34,898,930	167,617		5,829,244	112,697,291	11,163,790	123,861,081	−602,043,434
1864	102,316,153	20,294,732	89,446,402	588,333		51,981,151	264,626,771	12,438,254	277,065,025	−600,695,871
1865	84,928,261	60,979,329	148,484,886	996,553		38,325,576	333,714,605	14,556,159	348,270,764	−963,840,619
1866	179,046,652	72,982,159	236,244,654	665,031		69,094,124	558,032,620	14,386,986	572,419,606	+37,223,203
1867	176,417,811	66,014,429	200,013,108	1,163,576		47,025,086	490,634,010	15,237,027	505,871,037	+133,091,335
1868	164,464,600	41,455,598	149,631,991	1,348,715		48,737,179	405,638,083	16,292,601	421,930,684	+28,297,798
1869	180,048,427	34,791,856	123,564,605	4,020,344		28,518,515	370,943,747	17,314,176	388,257,923	+48,078,469
1870	194,538,374	37,775,874	147,123,882	3,350,482		28,466,865	411,255,477	18,879,537	430,135,014	+101,601,916
1871	206,270,408	19,162,651	123,935,503	2,388,647		31,566,736	383,323,945	20,037,045	403,360,990	+91,146,757
1872	216,370,287	14,436,862	116,205,316	2,575,714		24,518,689	374,106,868	21,915,426	396,022,294	+96,588,905

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(1)

TABLE 7.—*Receipts and expenditures for the fiscal years 1789 to 1938* [1]—Continued

Year	Ordinary receipts							Postal revenues, [2] exclusive of surplus postal receipts covered into the Treasury	Total ordinary receipts and postal revenues	Surplus (+) or deficit (−) of ordinary receipts covered into the Treasury compared with expenditures chargeable against ordinary receipts [4]
	Customs (including tonnage tax)	Internal revenue		Sales of public lands [3]	Surplus postal receipts covered into the Treasury	Miscellaneous	Total ordinary receipts			
		Income and profits taxes	Miscellaneous							
1873	$188,089,523	$5,062,312	$108,667,002	$2,882,312	----------	$29,037,056	$333,738,205	$22,996,742	$356,734,947	+$43,392,960
1874	163,103,834	139,472	102,270,313	1,852,429	----------	37,612,708	304,978,756	26,471,072	331,449,828	+2,344,883
1875	157,167,722	233	110,007,261	1,413,640	----------	19,411,195	288,000,051	26,791,314	314,791,365	+13,376,658
1876	148,071,985	588	116,700,144	1,129,467	----------	28,193,681	294,095,865	28,644,198	322,740,063	+28,994,780
1877	130,956,493	98	118,630,310	976,254	----------	30,843,264	281,406,419	27,531,585	308,938,004	+40,071,944
1878	130,170,680	----------	110,581,625	1,079,743	----------	15,931,831	257,763,879	29,277,517	287,041,396	+20,799,552
1879	137,250,048	----------	113,561,611	924,781	----------	22,090,745	273,827,185	30,041,983	303,869,168	+6,879,301
1880	186,522,064	----------	124,009,374	1,016,507	----------	21,978,666	333,526,611	33,315,479	366,842,090	+65,883,653
1881	198,159,676	3,022	135,261,364	2,201,863	----------	25,156,368	360,782,293	36,785,398	397,567,691	+100,069,405
1882	220,410,730	----------	146,497,596	4,753,140	----------	31,863,784	403,525,250	41,876,410	445,401,660	+145,543,810
1883	214,706,497	----------	144,720,369	7,955,864	----------	30,904,852	398,287,582	45,508,693	443,796,275	+132,879,444
1884	195,067,490	55,628	121,530,445	9,810,705	----------	22,055,602	348,519,870	43,325,959	391,845,829	+104,393,626
1885	181,471,939	----------	112,498,726	5,705,986	----------	24,014,055	323,690,706	42,560,844	366,251,550	+63,463,771
1886	192,905,023	----------	116,805,936	5,630,999	----------	21,097,768	336,439,726	43,948,423	380,388,149	+93,956,587
1887	217,286,893	----------	118,823,391	9,254,286	----------	26,038,707	371,403,277	48,837,609	420,240,886	+103,471,096
1888	219,091,174	----------	124,296,872	11,202,017	----------	24,676,012	379,266,075	52,695,177	431,961,252	+111,341,274
1889	223,832,742	----------	130,881,514	8,038,652	----------	24,297,151	387,050,059	56,175,611	443,225,670	+87,761,081
1890	229,668,585	----------	142,606,706	6,358,273	----------	24,447,420	403,080,984	60,882,098	463,963,082	+85,040,273
1891	219,522,205	----------	145,686,250	4,029,535	----------	23,374,457	392,612,447	65,931,786	458,544,233	+26,838,543
1892	177,452,964	----------	153,971,072	3,261,876	----------	20,251,872	354,937,784	70,930,476	425,868,260	+9,914,453
1893	203,355,017	----------	161,027,624	3,182,090	----------	18,254,898	385,819,629	75,896,933	461,716,562	+2,341,676
1894	131,818,531	----------	147,111,233	1,673,637	----------	25,751,915	306,355,316	75,080,479	381,435,795	−61,169,965
1895	152,158,617	77,131	143,344,541	1,103,347	----------	28,045,783	324,729,419	76,983,128	401,712,547	−31,465,879
1896	160,021,752	----------	146,762,865	1,005,523	----------	30,352,307	338,142,447	82,499,208	420,641,655	−14,036,999
1897	176,554,127	----------	146,688,574	864,581	----------	23,614,423	347,721,705	82,665,463	430,387,168	−18,052,454
1898	149,575,062	----------	170,900,642	1,243,129	----------	83,602,502	405,321,335	89,012,619	494,333,954	−38,047,248
1899	206,128,482	----------	273,437,162	1,678,247	----------	34,716,730	515,960,621	95,021,384	610,982,005	−89,111,558
1900	233,164,871	----------	295,327,927	2,836,883	----------	35,911,171	567,240,852	102,354,579	669,595,431	+46,380,005
1901	238,585,456	----------	307,180,664	2,965,120	----------	38,954,098	587,685,338	111,631,193	699,316,531	+63,068,413
1902	254,444,708	----------	271,880,122	4,144,123	----------	32,009,280	562,478,233	121,848,047	684,326,280	+77,243,984

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

1903	284,479,582		230,810,124	8,926,311		37,664,705	561,880,722	134,224,443	696,105,165	+44,874,595
1904	261,274,565		232,904,119	7,453,480		39,454,921	541,087,085	143,582,624	684,669,709	−42,572,815
1905	261,798,857		234,095,741	4,859,250		43,520,837	544,274,685	152,826,585	697,101,270	−23,004,229
1906	300,251,878		249,150,213	4,879,834		40,702,521	594,984,446	167,932,783	762,917,229	+24,782,168
1907	332,233,363		269,666,773	7,878,811		56,081,439	665,860,386	183,585,006	849,445,392	+86,731,544
1908	286,113,130		251,711,127	9,731,560		54,306,090	601,861,907	191,478,663	793,340,570	−57,334,413
1909	300,711,934		246,212,644	7,700,568		49,695,352	604,320,498	203,562,383	807,882,881	−89,423,387
1910	333,683,445	20,951,781	268,981,738	6,355,797		45,538,954	675,511,715	224,128,658	899,640,373	−18,105,350
1911	314,497,071	33,516,977	239,012,224	5,731,637		59,075,002	701,832,911	237,879,824	939,712,735	+10,631,399
1912	311,321,672	28,583,304	293,028,896	5,392,797		54,282,535	692,609,204	246,744,016	939,353,220	+2,727,870
1913	318,891,396	35,006,300	309,410,666	2,910,205		57,892,663	724,111,230	266,619,526	990,730,756	−400,733
1914	292,320,014	71,381,275	308,659,733	2,571,775	$3,800,000	55,940,370	734,673,167	284,134,566	1,018,807,733	−408,264
1915	209,786,672	80,201,759	335,467,887	2,167,136	3,500,000	66,787,373	697,910,827	283,748,165	981,658,992	−62,675,975
1916	213,185,846	124,937,253	387,764,776	1,887,662		54,759,011	782,534,548	312,057,689	1,094,592,237	+48,478,346
1917	225,962,393	359,081,228	449,684,980	1,892,893	5,200,000	81,903,301	1,124,324,795	324,526,116	1,448,850,911	−853,356,956
1918	179,998,385	2,314,006,292	872,028,020	1,969,455	48,630,701	247,950,012	3,664,582,865	295,845,261	3,960,428,126	−9,033,253,840
1919	184,457,867	3,018,783,687	1,296,501,292	1,404,705	89,906,000	561,203,585	5,152,257,136	274,941,126	5,427,198,262	−13,370,637,569
1920	322,902,650	3,944,949,288	1,460,082,287	1,910,140	5,213,000	959,508,024	6,694,565,389	431,937,212	7,126,502,601	+212,475,198
1921	308,564,391	3,206,046,158	1,390,379,823	1,530,439		718,412,150	5,624,932,961	463,491,275	6,088,424,236	+86,723,772
1922	356,443,387	2,068,128,193	1,145,125,064	895,391	81,494	538,430,622	4,109,104,151	484,772,047	4,593,876,198	+313,801,651
1923	561,928,867	1,678,607,428	945,865,333	656,508		820,077,345	4,007,135,481	532,827,925	4,539,963,406	+309,657,461
1924	545,637,504	1,842,144,418	953,012,618	522,223		670,727,939	4,012,044,702	572,948,778	4,584,993,480	+505,366,987
1925	547,561,226	1,760,537,824	828,638,068	623,534		642,788,033	3,780,148,685	599,591,477	4,379,740,162	+250,505,239
1926	579,430,093	1,982,040,088	855,599,289	754,253		544,931,967	3,962,755,690	659,819,801	4,622,575,491	+377,767,816
1927	605,499,983	2,224,992,800	644,421,542	621,187		653,858,929	4,129,394,441	683,121,989	4,812,516,430	+635,809,921
1928	568,986,188	2,173,952,557	621,018,666	384,651		678,006,094	4,042,348,156	693,633,921	4,735,982,077	+398,828,281
1929	602,262,786	2,330,711,823	607,307,549	314,568		492,653,499	4,033,250,225	696,947,578	4,730,197,803	+184,787,035
1930	587,000,903	2,410,986,978	628,308,036	395,744		551,250,041	4,177,941,702	705,484,098	4,883,425,800	+183,789,210
1931	378,354,005	1,860,394,295	569,386,721	230,302		381,273,309	3,189,638,632	656,463,383	3,846,102,015	−901,959,088
1932	[12] 327,754,969	1,057,335,853	503,670,481	170,339		116,793,795	2,005,725,437	588,171,923	2,593,897,360	−2,942,051,451
1933	[12] 250,750,251	746,206,445	858,217,512	102,561		224,419,973	2,079,696,742	587,631,364	2,667,328,106	−2,245,452,981
1934	[12] 313,434,302	817,961,481	[13] 1,822,642,347	99,336		161,416,584	3,115,554,050	586,733,166	3,702,287,216	−3,255,393,297
1935	[12] 343,353,054	1,099,118,638	[13] 2,178,571,390	86,757		179,337,363	3,800,467,202	630,795,302	4,431,262,504	−3,782,966,360
1936	[12] 386,811,594	1,426,575,434	[13] 2,086,276,174	74,355		216,219,058	4,115,956,615	665,343,356	4,781,299,971	−4,952,928,957
1937	[12] 486,356,599	2,157,526,981	[13] 2,439,613,122	71,218		210,272,317	5,293,840,237	726,201,110	6,020,041,347	−3,252,539,719
1938	[12] 359,187,249	2,634,618,139	[13] 3,039,700,298	95,649		208,059,892	6,241,661,227	728,634,051	6,970,295,278	−1,449,625,881

Footnotes at end of table.

104825—39——28

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 7.—*Receipts and expenditures for the fiscal years 1789 to 1938* [1]—Continued

Year	Expenditures chargeable against ordinary receipts											
	Ordinary								Public debt retirements chargeable against ordinary receipts [9]	Total expenditures chargeable against ordinary receipts	Postal expenditures [3] exclusive of postal deficiencies	Total ordinary and postal expenditures
	Civil and miscellaneous [5]	War Department (including rivers and harbors and Panama Canal) [6]	Navy Department [6]	Indians [3]	Pensions [7]	Postal deficiencies [8]	Interest on the public debt	Total ordinary expenditures				
1789–1791	$1,083,402	$632,804	$570	$27,000	$175,814	----------	$2,349,437	$4,269,027	----------	$4,269,027	$76,397	$4,345,424
1792	654,257	1,100,702	53	13,649	109,243	----------	3,201,628	5,079,532	----------	5,079,532	54,530	5,134,062
1793	472,451	1,130,249	----------	27,283	80,088	----------	2,772,242	4,482,313	----------	4,482,313	72,039	4,554,352
1794	705,598	2,639,098	61,409	13,042	81,399	----------	3,490,293	6,990,839	----------	6,990,839	89,972	7,080,811
1795	1,367,037	2,480,910	410,562	23,476	68,673	----------	3,189,151	7,539,809	----------	7,539,809	117,893	7,657,702
1796	782,475	1,260,264	274,784	113,564	100,844	----------	3,195,055	5,726,986	----------	5,726,986	131,571	5,858,557
1797	1,256,903	1,039,403	382,632	62,396	92,257	----------	3,300,043	6,133,634	----------	6,133,634	150,114	6,283,748
1798	1,111,038	2,009,522	1,381,348	16,470	104,845	----------	3,053,281	7,676,504	----------	7,676,504	179,084	7,855,588
1799	1,039,392	2,466,947	2,858,082	20,302	95,444	----------	3,186,288	9,666,455	----------	9,666,455	188,037	9,854,492
1800	1,337,613	2,560,879	3,448,716	31	64,131	----------	3,374,705	10,786,075	----------	10,786,075	213,994	11,000,069
1801	1,114,768	1,672,944	2,111,424	9,000	73,533	----------	4,412,913	9,394,582	----------	9,394,582	255,151	9,649,733
1802	1,462,929	1,179,148	915,562	94,000	85,440	----------	4,125,039	7,862,118	----------	7,862,118	281,916	8,144,034
1803	1,842,636	822,056	1,215,231	60,000	62,902	----------	3,848,828	7,851,653	----------	7,851,653	322,364	8,174,017
1804	2,191,009	875,424	1,189,833	116,500	80,093	----------	4,266,583	8,719,442	----------	8,719,442	337,502	9,056,944
1805	3,768,599	712,781	1,597,500	196,500	81,855	----------	4,148,999	10,506,234	----------	10,506,234	377,367	10,883,601
1806	2,890,137	1,224,355	1,649,641	234,200	81,876	----------	3,723,408	9,803,617	----------	9,803,617	417,233	10,220,850
1807	1,697,898	1,288,686	1,722,064	205,425	70,500	----------	3,369,578	8,354,151	----------	8,354,151	453,885	8,808,036
1808	1,423,286	2,900,834	1,884,068	213,575	82,576	----------	3,428,153	9,932,492	----------	9,932,492	462,828	10,395,320
1809	1,215,804	3,345,772	2,427,759	337,504	87,834	----------	2,866,075	10,280,748	----------	10,280,748	498,012	10,778,760
1810	1,101,145	2,294,324	1,654,244	177,625	83,744	----------	2,845,428	8,156,510	----------	8,156,510	495,969	8,652,479
1811	1,367,291	2,032,828	1,965,566	151,875	75,044	----------	2,465,733	8,058,337	----------	8,058,337	499,098	8,557,435
1812	1,683,088	11,817,798	3,959,365	277,845	91,402	----------	2,451,273	20,280,771	----------	20,280,771	540,165	20,820,936
1813	1,729,436	19,652,013	6,446,600	167,358	86,990	----------	3,599,455	31,681,852	----------	31,681,852	681,011	32,362,863
1814	2,208,030	20,350,807	7,311,291	167,395	90,164	----------	4,593,239	34,720,926	----------	34,720,926	727,126	35,448,052
1815	2,898,870	14,794,294	8,660,000	530,750	69,656	----------	5,754,569	32,708,139	----------	32,708,139	748,121	33,456,260
1816	2,989,741	16,012,097	3,908,278	274,512	188,804	----------	7,213,259	30,586,691	----------	30,586,691	804,022	31,390,713
1817	3,518,937	8,004,237	3,314,598	319,464	297,374	----------	6,389,210	21,843,820	----------	21,843,820	916,515	22,760,335
1818	3,835,840	5,622,715	2,953,695	505,704	890,720	----------	6,016,447	19,825,121	----------	19,825,121	1,035,832	20,860,953
1819	3,067,211	6,506,300	3,847,640	463,181	2,415,940	----------	5,163,538	21,463,810	----------	21,463,810	1,117,861	22,581,671
1820	2,592,022	2,630,392	4,387,990	315,750	3,208,376	----------	5,126,097	18,260,627	----------	18,260,627	1,160,926	19,421,553
1821	2,223,122	4,461,292	3,319,243	477,005	242,817	----------	5,087,274	15,810,753	----------	15,810,753	1,165,481	16,976,234
1822	1,967,996	3,111,981	2,224,459	575,007	1,948,199	----------	5,172,578	15,000,220	----------	15,000,220	1,167,572	16,167,792
1823	2,022,094	3,096,924	2,503,766	380,782	1,780,589	----------	4,922,685	14,706,840	----------	14,705,840	1,156,995	15,863,835
1824	7,155,309	3,340,940	2,904,582	429,988	1,499,327	----------	4,996,562	20,326,708	----------	20,326,708	1,188,019	21,514,727
1825	2,748,545	3,659,914	3,049,084	724,106	1,308,811	----------	4,366,769	15,857,229	----------	15,857,229	1,229,043	17,086,272

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

1826	2, 600, 178	3, 943, 194	4, 218, 902	743, 448	1, 556, 594	----------	3, 973, 481	17, 035, 797	----------	17, 035, 797	1, 366, 712	18, 402, 509
1827	2, 713, 477	3, 938, 978	4, 263, 877	760, 625	976, 139	----------	3, 486, 072	16, 139, 168	----------	16, 139, 168	1, 469, 959	17, 609, 127
1828	3, 676, 053	4, 145, 545	3, 918, 786	705, 084	850, 574	----------	3, 098, 801	16, 394, 843	----------	16, 394, 843	1, 689, 945	18, 084, 788
1829	3, 101, 515	4, 724, 291	3, 308, 745	576, 345	949, 594	----------	2, 542, 843	15, 203, 333	----------	15, 203, 333	1, 782, 132	16, 985, 465
1830	3, 237, 416	4, 767, 129	3, 239, 429	622, 262	1, 363, 297	----------	1, 913, 533	15, 143, 066	----------	15, 143, 066	1, 932, 708	17, 075, 774
1831	3, 064, 640	4, 841, 836	3, 856, 183	930, 738	1, 170, 665	----------	1, 383, 583	15, 247, 651	----------	15, 247, 651	1, 936, 122	17, 183, 773
1832	4, 577, 141	5, 446, 035	3, 956, 370	1, 352, 420	1, 184, 422	----------	772, 562	17, 288, 950	----------	17, 288, 950	2, 266, 171	19, 555, 121
1833	5, 716, 246	6, 704, 019	3, 901, 357	1, 802, 981	4, 589, 152	----------	303, 797	23, 017, 552	----------	23, 017, 552	2, 930, 414	25, 947, 966
1834	4, 404, 729	5, 696, 189	3, 956, 260	1, 003, 953	3, 364, 285	----------	202, 153	18, 627, 569	----------	18, 627, 569	2, 910, 605	21, 538, 174
1835	4, 229, 699	5, 759, 157	3, 864, 939	1, 706, 444	1, 954, 711	----------	57, 863	17, 572, 813	----------	17, 572, 813	2, 757, 350	20, 330, 163
1836	5, 393, 280	12, 169, 227	5, 807, 718	4, 615, 141	2, 882, 798	----------	----------	30, 868, 164	----------	30, 868, 164	2, 841, 766	33, 709, 930
1837	9, 893, 609	13, 682, 734	6, 646, 915	4, 348, 076	2, 672, 162	----------	----------	37, 243, 496	----------	37, 243, 496	3, 288, 319	40, 531, 815
1838	7, 160, 965	12, 897, 224	6, 131, 596	5, 504, 191	2, 156, 086	----------	14, 997	33, 865, 059	----------	33, 865, 059	4, 430, 662	38, 295, 721
1839	5, 728, 203	8, 916, 996	6, 182, 294	2, 528, 917	3, 142, 884	----------	399, 834	26, 899, 128	----------	26, 899, 128	4, 636, 536	31, 535, 664
1840	5, 996, 269	7, 097, 070	6, 113, 897	2, 331, 795	2, 603, 950	----------	174, 598	24, 317, 579	----------	24, 317, 579	4, 718, 236	29, 035, 815
1841	6, 084, 037	8, 805, 565	6, 001, 077	2, 594, 063	2, 388, 496	$407, 657	284, 978	26, 565, 873	----------	26, 565, 873	4, 092, 030	30, 657, 903
1842	6, 788, 853	6, 611, 887	8, 397, 243	1, 201, 062	1, 379, 469	53, 697	773, 550	25, 205, 761	----------	25, 205, 761	5, 617, 366	30, 823, 127
1843 [1]	3, 203, 163	2, 957, 300	3, 727, 711	581, 680	843, 323	21, 303	523, 595	11, 858, 075	----------	11, 858, 075	4, 353, 541	16, 211, 616
1844	5, 616, 408	5, 179, 220	6, 498, 199	1, 179, 279	2, 030, 598	----------	1, 833, 867	22, 337, 571	----------	22, 337, 571	4, 298, 628	26, 636, 199
1845	5, 910, 028	5, 752, 644	6, 297, 245	1, 540, 817	2, 396, 642	----------	1, 040, 032	22, 937, 408	----------	22, 937, 408	4, 326, 692	27, 264, 100
1846	6, 034, 324	10, 792, 867	6, 454, 947	1, 021, 461	1, 810, 371	810, 232	842, 723	27, 766, 925	----------	27, 766, 925	3, 310, 286	31, 077, 211
1847	6, 201, 519	38, 305, 520	7, 900, 636	1, 470, 306	1, 747, 917	536, 299	1, 119, 215	57, 281, 412	----------	57, 281, 412	3, 544, 829	60, 826, 241
1848	5, 620, 678	25, 501, 963	9, 408, 476	1, 221, 792	1, 211, 270	22, 222	2, 390, 825	45, 377, 226	----------	45, 377, 226	4, 358, 238	49, 735, 464
1849	14, 143, 278	14, 852, 966	9, 786, 706	1, 373, 119	1, 330, 010	----------	3, 565, 578	45, 051, 657	----------	45, 051, 657	4, 477, 664	49, 529, 321
1850	14, 920, 119	9, 400, 239	7, 904, 709	1, 665, 802	1, 870, 292	----------	3, 782, 331	39, 543, 492	----------	39, 543, 492	5, 213, 245	44, 756, 737
1851	18, 008, 594	11, 811, 793	9, 005, 931	2, 895, 700	2, 290, 278	----------	3, 696, 721	47, 709, 017	----------	47, 709, 017	6, 278, 710	53, 987, 727
1852	16, 590, 773	8, 225, 247	8, 952, 801	2, 980, 403	2, 403, 953	1, 041, 444	4, 000, 298	44, 194, 919	----------	44, 194, 919	6, 066, 106	50, 261, 025
1853	15, 814, 840	9, 947, 291	10, 918, 781	3, 905, 745	1, 777, 871	2, 153, 750	3, 665, 833	48, 184, 111	----------	48, 184, 111	5, 829, 339	54, 013, 450
1854	26, 443, 374	11, 733, 629	10, 798, 586	1, 553, 031	1, 237, 879	3, 207, 346	3, 071, 017	58, 044, 862	----------	58, 044, 862	5, 400, 940	63, 445, 802
1855	22, 020, 924	14, 773, 826	13, 312, 024	2, 792, 552	1, 450, 153	3, 078, 814	2, 314, 375	59, 742, 668	----------	59, 742, 668	6, 890, 178	66, 632, 846
1856	29, 310, 469	16, 948, 197	14, 091, 781	2, 769, 430	1, 298, 209	3, 199, 118	1, 953, 822	69, 571, 026	----------	69, 571, 026	7, 203, 750	76, 779, 776
1857	24, 911, 223	19, 261, 774	12, 747, 977	4, 267, 543	1, 312, 043	3, 616, 883	1, 678, 265	67, 795, 708	----------	67, 795, 708	7, 890, 787	75, 686, 495
1858	22, 255, 130	25, 485, 383	13, 984, 551	4, 926, 739	1, 217, 488	4, 748, 923	1, 567, 056	74, 185, 270	----------	74, 185, 270	7, 972, 714	82, 157, 984
1859	18, 891, 737	23, 243, 823	14, 642, 990	3, 625, 027	1, 220, 378	4, 808, 558	2, 638, 464	69, 070, 977	----------	69, 070, 977	6, 648, 954	75, 719, 931
1860	18, 086, 888	16, 409, 767	11, 514, 965	2, 949, 191	1, 102, 926	9, 889, 546	3, 177, 315	63, 130, 598	----------	63, 130, 598	9, 281, 060	72, 411, 658
1861	18, 096, 116	22, 981, 150	12, 420, 888	2, 841, 358	1, 036, 064	5, 170, 895	4, 000, 174	66, 546, 645	----------	66, 546, 645	8, 430, 368	74, 977, 013
1862	17, 846, 762	394, 368, 407	42, 668, 277	2, 273, 224	853, 095	3, 561, 729	13, 190, 325	474, 761, 819	----------	474, 761, 819	7, 564, 236	482, 326, 055
1863	22, 507, 651	599, 298, 601	63, 221, 964	3, 154, 357	1, 078, 991	749, 314	24, 729, 847	714, 740, 725	----------	714, 740, 725	10, 557, 101	725, 297, 826
1864	26, 505, 619	690, 791, 843	85, 725, 995	2, 629, 859	4, 983, 924	999, 980	53, 685, 422	865, 322, 642	----------	865, 322, 642	11, 843, 089	877, 165, 731
1865	44, 515, 558	1, 031, 323, 361	122, 612, 945	5, 116, 837	16, 338, 811	250, 000	77, 397, 712	1, 297, 555, 224	----------	1, 297, 555, 224	13, 388, 909	1, 310, 944, 133
1866	41, 115, 438	284, 449, 702	43, 324, 118	3, 247, 065	15, 605, 352	----------	133, 067, 742	520, 809, 417	----------	520, 809, 417	15, 320, 837	536, 130, 254
1867	58, 406, 906	95, 224, 415	31, 034, 011	4, 642, 532	20, 936, 552	3, 516, 667	143, 781, 592	357, 542, 675	----------	357, 542, 675	15, 692, 712	373, 235, 387
1868	55, 957, 827	123, 246, 648	25, 775, 503	4, 100, 682	23, 782, 387	4, 053, 192	140, 424, 046	377, 340, 285	----------	377, 340, 285	18, 784, 757	396, 125, 042
1869	52, 753, 231	78, 501, 991	20, 000, 758	7, 042, 923	28, 476, 622	5, 395, 510	130, 694, 243	322, 865, 278	----------	322, 865, 278	18, 282, 403	341, 147, 681
1870	64, 389, 438	57, 655, 676	21, 780, 230	3, 407, 938	28, 340, 202	4, 844, 579	129, 235, 498	309, 653, 561	----------	309, 653, 561	19, 132, 812	328, 786, 373
1871	64, 367, 461	35, 799, 992	19, 431, 027	7, 426, 997	34, 443, 895	5, 131, 250	125, 576, 566	292, 177, 188	----------	292, 177, 188	19, 264, 548	311, 441, 736
1872	62, 768, 024	35, 372, 157	21, 249, 810	7, 061, 729	28, 533, 403	5, 175, 000	117, 357, 840	277, 517, 963	----------	277, 517, 963	21, 489, 520	299, 007, 483
1873	72, 943, 555	46, 323, 138	23, 526, 257	7, 951, 705	29, 359, 427	5, 490, 475	104, 750, 688	290, 345, 245	----------	290, 345, 245	23, 635, 159	313, 980, 404
1874	81, 822, 622	42, 313, 927	30, 932, 587	6, 692, 462	29, 038, 415	4, 714, 045	107, 119, 815	302, 633, 873	----------	302, 633, 873	27, 514, 935	330, 148, 808
1875	63, 859, 057	41, 120, 646	21, 497, 626	8, 384, 657	29, 456, 216	7, 211, 646	103, 093, 545	274, 623, 393	----------	274, 623, 393	26, 399, 988	301, 023, 381
1876	68, 507, 121	38, 070, 889	18, 963, 310	5, 966, 558	28, 257, 396	5, 092, 540	100, 243, 271	265, 101, 085	----------	265, 101, 085	28, 198, 911	293, 299, 996

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(2) (1)

TABLE 7.—*Receipts and expenditures for the fiscal years 1789 to 1938*—Continued

Year	Expenditures chargeable against ordinary receipts: Ordinary: Civil and miscellaneous [4]	War Department (including rivers and harbors and Panama Canal) [6]	Navy Department [6]	Indians [3]	Pensions [7]	Postal deficiencies [8]	Interest on the public debt	Total ordinary expenditures	Public debt retirements chargeable against ordinary receipts [9]	Total expenditures chargeable against ordinary receipts	Postal expenditures [3] exclusive of postal deficiencies	Total ordinary and postal expenditures
1877	$52,756,194	$37,082,736	$14,959,935	$5,277,007	$27,963,752	$6,170,339	$97,124,512	$241,334,475		$241,334,475	$27,488,602	$268,823,077
1878	47,424,310	32,154,148	17,365,301	4,629,280	27,137,019	5,753,394	102,500,875	236,964,327		236,964,327	28,429,152	265,393,479
1879	60,968,032	40,425,661	15,125,127	5,206,109	35,121,482	4,773,524	105,327,949	266,947,884		266,947,884	28,684,392	295,632,276
1880	54,437,850	38,116,916	13,536,985	5,945,457	56,777,175	3,071,000	95,757,575	267,642,958		267,642,958	33,466,433	301,109,391
1881	61,581,934	40,466,461	15,686,672	6,514,161	50,059,280	3,895,639	82,508,741	260,712,888		260,712,888	35,711,718	296,424,606
1882	57,219,751	43,570,494	15,032,046	9,736,748	61,345,194		71,077,207	257,981,440		257,981,440	40,622,487	298,603,927
1883	68,603,519	48,911,383	15,283,437	7,362,591	66,012,574	74,503	59,160,131	265,408,138		265,408,138	43,252,837	308,660,975
1884	70,920,434	39,429,603	17,292,601	6,475,999	55,429,228		54,578,379	244,126,244		244,126,244	47,233,016	291,359,260
1885	82,952,647	42,670,578	16,021,080	6,552,495	56,102,268	4,541,611	51,386,256	260,226,935		260,226,935	45,508,605	305,735,540
1886	65,973,278	34,324,153	13,907,888	6,099,158	63,404,864	8,193,652	50,580,146	242,483,139		242,483,139	42,823,266	285,306,405
1887	78,763,579	38,561,026	15,141,127	6,194,523	75,029,102	6,501,247	47,741,577	267,932,181		267,932,181	46,481,381	314,413,562
1888	78,167,066	38,522,436	16,926,438	6,249,308	80,288,509	3,056,037	44,715,007	267,924,801		267,924,801	53,411,606	321,336,407
1889	94,087,507	44,435,271	21,378,809	6,892,208	87,624,779	3,868,920	41,001,484	299,288,978		299,288,978	58,475,796	357,764,774
1890	94,832,444	44,582,838	22,006,206	6,708,047	106,936,855	6,875,037	36,099,284	318,040,711		318,040,711	59,407,825	377,448,536
1891	115,707,616	48,720,065	26,113,896	8,527,469	124,415,951	4,741,772	37,547,135	365,773,904		365,773,904	68,340,624	434,114,528
1892	95,790,499	46,895,456	29,174,139	11,150,578	134,583,053	4,051,490	23,378,116	345,023,331		345,023,331	72,989,962	418,013,293
1893	97,786,004	49,641,773	30,136,084	13,345,347	159,357,558	5,946,795	27,264,392	383,477,953		383,477,953	75,666,927	459,144,880
1894	93,693,884	54,567,930	31,701,294	10,293,482	141,177,285	8,250,000	27,841,406	367,525,281		367,525,281	76,807,994	444,333,275
1895	82,263,188	51,804,759	28,797,796	9,939,754	141,395,229	11,016,542	30,978,030	356,195,298		356,195,298	76,197,028	432,392,326
1896	77,916,235	50,830,921	27,147,732	12,165,528	139,434,001	9,300,000	35,385,029	352,179,446		352,179,446	81,643,410	433,822,856
1897	79,252,062	48,950,268	34,561,546	13,016,802	141,053,165	11,149,206	37,791,110	365,774,159		365,774,159	82,947,836	448,721,995
1898	86,016,465	91,992,000	58,823,985	10,994,668	147,452,369	10,504,040	37,585,056	443,368,583		443,368,583	87,563,130	530,931,713
1899	110,979,686	229,841,254	63,942,104	12,805,711	139,394,929	8,211,570	39,896,925	605,072,179		605,072,179	93,439,950	698,512,129
1900	131,689,466	134,774,768	55,953,078	10,175,107	140,877,316	7,230,779	40,160,333	520,860,847		520,860,847	100,534,158	621,395,005
1901	131,976,814	144,615,697	60,506,978	10,896,073	139,323,622	4,954,762	32,342,979	524,616,925		524,616,925	110,657,952	635,274,877
1902	125,110,562	112,272,216	67,803,128	10,049,585	138,488,560	2,402,153	29,108,045	485,234,249		485,234,249	122,407,064	607,641,313
1903	133,072,506	118,629,505	82,618,034	12,935,168	138,425,646	2,768,919	28,556,349	517,006,127		517,006,127	136,042,501	653,048,628
1904	131,357,250	165,199,911	102,956,102	10,438,350	142,559,286	6,502,531	24,646,490	583,659,900		583,659,900	145,892,863	729,552,763
1905	127,968,472	126,093,894	117,550,308	14,236,074	141,773,965	15,065,257	24,590,944	567,278,914		567,278,914	152,355,715	719,634,629
1906	131,638,657	137,326,066	110,474,264	12,746,859	141,034,562	12,673,294	24,308,576	570,202,278		570,202,278	165,802,431	736,004,709
1907	145,641,626	149,775,084	97,128,469	15,163,608	139,309,514	7,629,383	24,481,158	579,128,842		579,128,842	182,647,654	761,776,496
1908	162,532,368	175,840,453	118,037,097	14,579,756	153,892,467	12,888,041	21,426,138	659,196,320		659,196,320	195,500,901	854,697,221
1909	167,001,087	192,486,904	115,546,011	15,694,618	161,710,367	19,501,062	21,803,836	693,743,885		693,743,885	201,541,092	895,284,977
1910	171,580,830	189,823,379	123,173,717	18,504,132	160,696,416	8,495,612	21,342,979	693,617,065		693,617,065	221,514,528	915,131,593
1911	173,838,599	197,199,491	119,937,644	20,933,869	157,980,575		21,311,334	691,201,512		691,201,512	237,660,705	928,862,217
1912	172,256,794	184,122,793	135,591,956	20,134,840	153,590,456	1,568,195	22,616,300	689,881,334		689,881,334	246,961,344	936,842,678
1913	169,802,304	202,128,711	133,262,862	20,306,159	175,085,450	1,027,369	22,899,108	724,511,963		724,511,963	261,081,506	985,593,469
1914	170,530,235	208,349,746	139,682,186	20,215,076	173,440,231		22,863,957	735,081,431		735,081,431	283,558,103	1,018,639,534
1915	200,533,231	202,160,134	141,835,654	22,130,351	164,387,942	6,636,593	22,902,897	760,586,802		760,586,802	291,944,881	1,052,531,683
1916	191,752,692	183,176,439	153,853,567	17,570,284	159,302,351	5,500,000	22,900,869	734,056,202		734,056,202	300,728,453	1,034,784,655

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

1917	1,144,448,923	377,940,870	239,632,757	30,598,093	160,318,406		24,742,702	1,977,681,751		1,977,681,751	319,889,904	2,297,571,655
1918	6,143,916,172	4,869,955,286	1,278,840,487	30,888,400	181,137,754	2,221,095	189,743,277	12,696,702,471	$1,134,234	12,697,836,705	322,628,094	13,020,464,799
1919	6,627,726,263	9,009,075,789	2,002,310,785	34,593,257	221,614,781	343,511	619,215,569	18,514,879,955	8,014,750	18,522,894,705	362,160,763	18,885,055,468
1920	2,771,141,778	1,621,953,095	736,021,456	40,516,832	213,344,204	114,854	1,020,251,622	6,403,343,841	78,746,350	6,482,090,191	[10] 418,607,441	6,900,697,632
1921	1,916,122,018	1,118,076,423	650,373,836	41,470,808	260,611,416	130,128,458	999,144,731	5,115,927,690	[11] 422,281,500	5,538,209,190	[10] 489,506,490	6,027,715,680
1922	1,091,652,312	457,756,139	476,775,194	38,500,413	252,576,848	64,346,235	991,000,759	3,372,607,900	422,694,600	3,795,302,500	[10] 481,316,006	4,276,618,506
1923	1,166,634,334	397,050,596	333,201,362	45,142,763	264,147,869	32,526,915	1,055,923,690	3,294,627,529	402,850,491	3,697,478,020	524,366,214	4,221,844,234
1924	1,131,154,606	357,016,878	332,249,137	46,754,026	228,261,555	12,638,850	940,602,913	3,048,677,965	457,999,750	3,506,677,715	574,773,905	4,081,451,620
1925	1,183,882,296	370,980,708	346,142,001	38,755,457	218,321,424	23,216,784	881,806,662	3,063,105,332	466,538,114	3,529,643,446	616,119,721	4,145,763,167
1926	1,293,702,536	364,089,945	312,743,410	48,442,120	207,189,622	39,506,490	831,937,700	3,097,611,823	487,376,051	3,584,987,874	640,237,690	4,225,273,564
1927	1,204,375,974	369,114,122	318,909,096	36,791,649	230,556,065	27,263,191	787,019,578	2,974,029,675	519,554,845	3,493,584,519	687,364,998	4,180,949,518
1928	1,340,702,732	400,980,683	331,335,492	36,990,808	229,401,462	32,080,202	731,764,476	3,103,264,855	540,255,020	3,643,519,875	693,674,815	4,337,194,690
1929	1,471,452,939	425,947,194	364,561,544	34,086,586	229,781,079	94,699,744	678,330,400	3,298,859,486	549,603,704	3,848,463,190	687,709,010	4,536,172,200
1930	1,597,512,107	464,853,515	374,165,639	32,066,628	220,608,931	91,714,451	659,347,613	3,440,268,884	553,883,603	3,994,152,487	711,985,635	4,706,138,122
1931	1,800,641,110	478,418,974	354,071,004	26,778,582	234,402,722	145,643,613	611,559,704	3,651,515,712	440,082,000	4,091,597,712	656,885,960	4,748,483,672
1932	2,639,280,130	477,449,816	357,617,834	26,125,092	232,521,292	202,876,341	599,276,631	4,535,147,138	412,629,750	4,947,776,888	590,846,193	5,538,623,081
1933	2,000,129,912	449,395,013	349,561,925	22,722,347	234,990,427	117,380,192	689,365,106	3,863,544,922	461,604,800	4,325,149,722	582,626,064	4,907,775,786
1934	4,153,843,625	408,894,976	297,029,291	23,372,905	319,322,034	52,003,296	756,617,127	6,011,083,254	359,864,093	6,370,947,347	578,763,705	6,949,711,052
1935	4,797,651,840	489,155,454	436,447,860	27,918,899	373,804,501	63,970,405	820,926,353	7,009,875,312	573,558,250	7,583,433,562	632,632,848	8,216,066,410
1936	6,254,317,517	618,919,108	529,031,666	28,875,773	399,065,694	86,038,862	749,396,802	8,665,645,421	403,240,150	9,068,885,572	667,620,819	9,736,506,391
1937	5,715,914,252	628,348,231	556,884,449	36,933,148	396,047,400	41,896,945	866,384,331	8,442,408,756	103,971,200	8,546,379,956	730,918,898	9,277,298,854
1938	4,978,321,400	644,525,410	596,278,301	33,378,389	402,779,083	44,258,861	926,280,714	7,625,822,158	65,464,950	7,691,287,108	628,186,746	8,319,473,854

[1] From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

[2] On basis of warrants issued from 1789 to 1930, inclusive; 1931 to 1938, inclusive, on basis of checks issued.

[3] Postal revenues and expenditures, except surplus postal receipts covered into the Treasury and postal deficiencies paid out of the General Fund of the Treasury, are based upon reports of the Post Office Department. Postal expenditures include adjusted losses, etc.—postal funds, and expenditures from postal balances; but are exclusive of departmental expenditures in Washington, D.C., to the close of fiscal year 1922, and amounts transferred to the civil service retirement and disability fund, fiscal years 1921 to 1926, inclusive. For the years 1927 to 1938, inclusive, the 3½ percent salary deductions are included in "Postal expenditure", the deductions having been paid to and deposited by disbursing clerks for credit of the retirement fund.

[4] Surplus or deficit excludes postal receipts and expenditures therefrom.

[5] Includes civil expenditures under War and Navy Departments in Washington, to and including fiscal year 1915, and unavailable funds charged off under act of June 3, 1922 (42 Stat. 1592).

[6] Exclusive of civil expenditures under War Department and Navy Department in Washington to and including fiscal year 1915.

[7] On basis of warrants issued from 1789 to 1930, inclusive; 1931 to 1938, inclusive, on basis of checks issued. Includes only Army and Navy pensions for service prior to World War, and fees of examining surgeons in Pension Bureau, and is exclusive of payments made by the War Risk Insurance Bureau and Veterans' Bureau to veterans of the World War, and salaries under Bureau of Pensions, which are included in civil and miscellaneous expenditures.

[8] Prior to 1922 on basis of warrants issued. Exclusive of amounts transferred to the civil service retirement and disability fund under act of May 22, 1920 (41 Stat. 614), and amendments thereto on account of salary deductions of 2½ percent, as follows: 1921, $6,519,683.59; 1922, $7,899,006.28; 1923, $8,284,081; 1924, $8,679,658.60; 1925, $10,266,977; and 1926, $10,472,289.59. See Note 3. The item Postal Deficiency represents advances from the General Fund of the Treasury to the Postmaster General to meet deficiencies in the postal revenues. These figures do not include any allowances for offsets on account of extraordinary expenditures or the cost of free mailings contributing to the deficiency of postal revenues certified to the Secretary of the Treasury by the Postmaster General pursuant to the Act of Congress, approved June 9, 1930. See exhibit 66 on p. 348 for statement of account.

[9] At par.

[10] Exclusive of additional compensation Postal Service, under joint resolution of Nov. 8, 1919 (41 Stat. 359), which is included in "Civil and miscellaneous", as follows: 1920, $35,698,400; 1921, $1,374,014.56; 1922, $22,397.37.

[11] Ordinary receipts and public debt retirements chargeable against ordinary receipts for 1921 exclude $4,842,066.45 written off the debt Dec. 31, 1920. See page 514, note 1.

[12] Beginning with the fiscal year 1932 tonnage tax has been covered into the Treasury as miscellaneous receipts.

[13] Includes $353,048,797 processing tax on farm products in 1934, $521,379,871 in 1935, $76,649,383 in 1936, $2,501 in 1937, and $11.15 in 1938; $252,160,839 taxes under Social Security Act in 1937 and $604,448,646 in 1938; $5,886,836 unjust enrichment tax, in 1937, and $5,666,572 in 1938; and $345,038 taxes upon carriers and their employees in 1937 and $150,131,981 in 1938.

NOTE.—This statement is revised to provide uniform classification of receipts and expenditures on a comparable basis in accordance with procedure set fortb in announcement (see p. 347) accompanying the daily Treasury statement of July 1, 1938. It differs from the comparative statement accompanying the daily Treasury statement of July 15, 1938, in that the former was only arranged to correspond with the new classification, while this statement is revised to show, retroactively for the fiscal years 1932 to 1938, expenditures on the basis of the new procedure.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 8.—*Expenditures by major functions for the fiscal years 1931 to 1938* [1]

[On the basis of daily Treasury statements as reclassified on July 1, 1938. In millions of dollars]

Class	1931	1932	1933	1934	1935	1936	1937	1938
Ordinary:								
Legislative, judicial, and civil establishments	647	756	584	458	562	675	689	712
National defense	667	664	633	494	663	880	895	980
Veterans' pensions and benefits	943	973	849	554	604	2,348	1,128	572
Interest on the public debt	612	599	689	757	821	749	866	926
Refunds of receipts	91	101	70	64	77	54	56	100
Agricultural adjustment program				289	712	533	527	362
Social security						28	448	678
Railroad retirement							6	145
Government employees' retirement funds	21	21	21	21	21	41	47	73
Other (settlement of war claims, Commodity Credit Corporation losses, etc.)	6	49	5	14	[2] 3	1	1	98
Total	2,987	3,163	2,851	2,651	3,457	5,309	4,663	4,646
Public works:								
Public highways	174	210	178	268	317	244	351	237
Tennessee Valley Authority				11	36	49	42	42
Reclamation	14	26	25	25	41	50	52	65
Rivers and harbors, improvement	51	55	51	76	133	150	148	98
Flood control	35	28	34	41	31	36	45	61
Public buildings	68	86	106	79	58	68	76	77
Grants to public bodies, including administration				19	49	234	273	190
Other	79	94	78	106	101	83	115	110
Total	421	499	472	625	766	914	1,102	880
Unemployment relief:								
Direct relief			351	716	1,916	588	184	154
Work relief				805	11	1,298	1,957	1,516
Civilian Conservation Corps			9	332	436	486	386	326
Total			360	1,853	2,363	2,372	2,527	1,996
Loans and subscriptions to stock, etc. (net)	263	873	181	882	424	71	150	104
Total expenditures, exclusive of debt retirement	3,671	4,535	3,864	6,011	7,010	8,666	8,442	7,626
Debt retirement	440	413	461	360	573	403	104	65
Total expenditures	4,111	4,948	4,325	6,371	7,583	9,069	8,546	7,691

[1] Based on classifications of the Bureau of the Budget. Expenditures from both general and emergency funds included; trust fund expenditures excluded.
[2] Excess of credits, deduct.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 9.—*Expenditures for recovery and relief classified as to provisions for repayment, fiscal years 1932 to 1937 combined, fiscal year 1938, and total to June 30, 1938*

Class of expenditure	Fiscal years 1932 to 1937	Fiscal year 1938	Total
I. Nonrepayable:			
1. Grants, aids, and expenses:			
Federal Emergency Relief Administration	$3,074,249,696.85	$4,369,080.76	$3,078,618,777.61
Civil Works Administration	817,423,102.47	222,101.04	817,645,203.51
Department of Agriculture (drought relief)	83,919,948.33	2,472.25	83,922,420.58
Public Works Administration:			
Administrative expenses	73,787,124.64	15,109,011.28	88,896,135.92
Public bodies	500,799,215.19	175,087,467.63	675,886,682.82
Federal land banks (reduction in interest rates)	81,401,999.91	32,114,033.21	113,516,033.12
Federal Farm Mortgage Corporation (reduction in interest rates)		5,726,515.05	5,726,515.05
Reconstruction Finance Corporation:			
Grants to States for relief under act of July 21, 1932	280,025,518.00	[a] *374.30*	280,025,143.70
Other	29,899,092.05	3,405,199.62	33,304,291.67
Regional agricultural credit corporations	14,469,534.83	872,888.00	15,342,422.83
Administration for Industrial Recovery	24,245,466.49	[a] *4,522.24*	24,240,944.25
Farm Security Administration	200,263,096.88	111,913,738.63	312,176,835.51
Rural Electrification Administration	941,879.66	26,395.37	968,275.03
Works Progress Administration	3,160,108,148.50	1,472,499,478.21	4,632,607,626.71
Commodity Credit Corporation, restoration of capital impairment		94,285,404.73	94,285,404.73
Federal Housing Administration	47,208,553.29	11,725,019.45	58,933,572.74
Civilian Conservation Corps	1,318,407,420.31	1,396,512.57	1,319,803,932.88
Total grants, aids, and expenses	9,707,149,797.40	1,928,750,421.26	11,635,900,218.66
2. Federal public works projects:			
Tennessee Valley Authority	75,000,000.00		75,000,000.00
Public highways	1,061,243,460.94	84,575,923.50	1,145,819,384.44
Rivers and harbors and flood control	467,177,385.62	33,639,018.24	500,816,403.86
Other:			
Legislative establishment	3,307,002.40	515,895.17	3,822,897.57
State Department	4,351,727.51	1,650,879.27	6,002,606.78
Treasury Department:			
Public building construction and sites	131,148,792.20	15,889,790.32	147,038,582.52
Other	97,591,256.86	24,750,372.42	122,341,629.28
War Department (nonmilitary)	1,894,159.43	316.97	1,894,476.40
National defense:			
Army	128,165,839.13	26,863,051.55	155,028,890.68
Navy	335,086,481.66	26,822,907.09	361,909,388.75
Panama Canal	999,850.82		999,850.82
Department of Justice	2,388,588.51	1,210,708.29	3,599,296.80
Post Office Department	6,198.00		6,198.00
Interior Department (exclusive of reclamation projects)	151,716,821.60	32,407,750.59	184,124,572.19
Department of Agriculture (exclusive of highways)	145,761,367.05	27,342,732.98	173,104,100.03
Department of Commerce	30,264,654.13	569,517.13	30,834,171.26
Department of Labor	34,727,096.43	7,528,698.21	42,255,794.64
Veterans' Administration	4,210,666.24	213,071.61	4,423,737.85
Independent offices and commissions	26,024,845.81	13,065,141.33	39,089,987.14
District of Columbia	1,476,215.70	9,332.44	1,485,548.14
Unclassified items	151,268.67	223,839.46	375,108.13
Total Federal public works projects	2,702,693,678.71	297,278,946.57	2,999,972,625.28
Total nonrepayable	12,409,843,476.11	2,226,029,367.83	14,635,872,843.94

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 9.—*Expenditures for recovery and relief classified as to provisions for repayment, fiscal years 1932 to 1937 combined, fiscal year 1938, and total to June 30, 1938*—Continued

Class of expenditure	Fiscal years 1932 to 1937	Fiscal year 1938	Total
II. Repayable:			
1. Federal public works projects:			
Reclamation projects (including Boulder Canyon project)	$123,483,284.87	$25,498,296.95	$148,981,581.82
2. Loans, subscriptions to capital stock, etc.:			
Commodity Credit Corporation	99,825,003.54	66,965.57	99,891,969.11
Farm Credit Administration, crop and feed loans, etc.[1]	308,858,767.46	[a] *4,727,657.31*	304,131,110.15
Public Works Administration:			
Loans to public bodies	112,100,872.35	[a] *38,212,114.98*	73,888,757.37
Loans to railroads	5,969,536.40	[a] *3,276,579.88*	2,692,956.52
Emergency housing	82,490,030.08	42,945,421.54	125,435,451.62
Regional agricultural credit corporations	9,017,939.41	[a] *8,791,332.60*	226,606.81
Rural Electrification Administration	8,449,039.58	4,538,811.50	12,987,851.08
Farm Security Administration	155,244,371.40	68,235,370.03	223,479,741.43
Export-Import Banks of Washington	1,244,000.42	2,703.70	1,246,704.12
Reconstruction Finance Corporation:			
Disaster Loan Corporation, stock	6,000,000.00	4,000,000.00	10,000,000.00
Loans to municipalities and counties for relief under act of July 21, 1932	3,054,623.00	[a] *254,000.00*	2,800,623.00
Federal Farm Mortgage Corporation	200,000,000.00	----------	200,000,000.00
Federal intermediate credit banks	40,000,000.00	----------	40,000,000.00
Federal land banks, stock and surplus	262,225,213.78	37,714,272.53	299,939,486.31
Home loan bank stock	120,006,100.00	4,734,900.00	124,741,000.00
Home Owners' Loan Corporation	200,000,000.00	----------	200,000,000.00
Federal savings and loan associations	49,952,826.00	11,797.85	49,964,623.85
Federal Deposit Insurance Corporation	150,000,000.00	----------	150,000,000.00
Reconstruction Finance Corporation	500,000,000.00	----------	500,000,000.00
Total loans, subscriptions to capital stock, etc	2,314,438,323.42	106,988,557.95	2,421,426,881.37
Total repayable	2,437,921,608.29	132,486,854.90	2,570,408,463.19
Total (basis of daily Treasury statements as revised on July 1, 1938)	14,847,765,084.40	2,358,516,222.73	17,206,281,307.13
MEMORANDUM			
The daily Treasury statement was revised on July 1, 1938, to clarify the effect on the Budget of the financial transactions of the Reconstruction Finance Corporation, Commodity Credit Corporation, Rural Electrification Administration, and Export-Import Bank of Washington. The following items are included to reconcile the total expenditures shown above with those shown on daily Treasury statements prior to the revision:			
Repayable:			
Reconstruction Finance Corporation, direct loans and expenditures	878,352,037.19	41,222,547.48	919,574,584.67
Reconstruction Finance Corporation funds:			
Commodity Credit Corporation	22,300,131.64	[2] 1,140,650.82	23,440,782.46
Rural Electrification Administration	2,282,787.45	33,930,430.61	36,213,218.06
Export-Import Bank of Washington	16,922,573.90	[a] *1,206,460.00*	15,716,113.90
Total (basis of daily Treasury statements before revision)	15,767,622,614.58	2,433,603,391.64	18,201,226,006.22

[a] Excess of credits, deduct.
[1] Includes subscriptions to stock from recovery and relief funds of production credit corporations and banks for cooperatives.
[2] Includes credit on account of deposit of proceeds of appropriation for restoration of capital impairment.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Specific receipts and expenditures

TABLE 10.—*Expenditures of the several activities of the Treasury Department in each of the States and Territories, fiscal year 1938* [1]

States, etc.	Administration expense, emergency relief [2] (1)	Division of Disbursement (2)	Coast Guard [3] (3)	Bureau of Customs (4)	Bureau of the Mint (5)	Bureau of Internal Revenue (6)	Bureau of Narcotics (7)
Alabama	$244,638.30		$301,327.45	$55,408.00		$399,511.71	$12,400.00
Alaska	20,258.91	$434.00	302,633.42	57,195.00		11,746.84	
Arizona	48,217.01		1,322.19	96,281.00		131,528.88	3,700.00
Arkansas	223,493.60		3,613.06	[4]		298,472.69	8,500.00
California	337,931.84	73,928.00	2,133,680.51	1,769,737.00	$418,235.00	3,354,522.04	69,200.00
Colorado	178,337.57	30,139.00	158.85	21,769.00	388,239.00	503,552.81	11,800.00
Connecticut	139,650.20		984,626.01	137,467.00		668,379.29	3,600.00
Delaware	26,979.23		17,070.96	[5]		137,475.48	
District of Columbia:							
Departmental	6,430,070.10	1,198,155.00	419,652.99	471,823.00	106,608.43	13,502,914.56	213,300.00
Field			4,684,177.27	[6]	11,567.00	1,953,034.75	10,300.00
Florida	98,023.76		1,116,437.85	233,224.00		641,186.52	11,000.00
Georgia	81,723.51	64,835.00	152,564.88	69,400.00		771,059.81	23,500.00
Hawaii	27,493.73	16.00	337,463.39	199,838.00		199,051.38	19,000.00
Idaho	50,518.59		19.35	[7]		140,426.01	2,800.00
Illinois	320,657.83	72,040.00	268,143.02	475,302.00		3,282,904.40	80,700.00
Indiana	303,195.36		14,734.62	27,084.00		803,442.24	14,800.00
Iowa	87,779.19		631.51	8,564.00		569,021.89	4,000.00
Kansas	127,117.80		13,760.84	[8]		465,668.55	3,300.00
Kentucky	184,601.52		11,817.98	126,279.00	62,954.00	1,162,120.38	26,000.00
Louisiana	108,122.70	26,419.00	137,255.85	614,171.00	29,456.00	865,155.70	41,300.00
Maine	37,445.70		230,555.49	336,395.00		222,184.82	1,200.00
Maryland	72,101.27		1,342,684.20	884,755.00		1,495,393.23	17,600.00
Massachusetts	373,388.45	45,164.00	1,550,900.62	1,606,051.00		2,097,450.40	24,500.00
Michigan	185,454.77		798,297.98	840,286.00		1,353,966.85	26,200.00
Minnesota	135,311.33	41,565.00	45,584.64	260,746.00		945,425.81	28,200.00
Mississippi	112,862.31		295,597.33	[9]		229,492.95	4,200.00
Missouri	156,633.15	99,983.00	11,489.14	109,503.00		1,370,250.87	56,200.00
Montana	83,858.56	25,753.00		85,626.00		213,225.18	4,000.00
Nebraska	257,250.02		186.05	26,437.00		456,856.67	6,800.00
Nevada	28,468.89			[10]		70,773.69	6,100.00
New Hampshire	32,359.43		11,632.77	[11]		153,767.07	200.00
New Jersey	232,257.28		1,140,850.42	[12]		1,820,265.50	10,500.00
New Mexico	60,326.49	20,518.00	26.93	[13]		115,715.43	3,300.00
New York	809,521.30	68,007.00	3,127,635.84	17,884,568.00	564,954.00	7,551,371.25	196,000.00
North Carolina	220,533.04		661,873.38	214,837.00		545,567.08	9,100.00
North Dakota	76,797.76		110.43	207,346.00		139,087.02	1,200.00
Ohio	247,072.47	32,539.00	471,420.79	304,784.00		2,477,875.58	35,200.00
Oklahoma	162,279.59			[8]		631,673.30	12,000.00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 10.—*Expenditures of the several activities of the Treasury Department in each of the States and Territories, fiscal year 1938* [1]—Contd.

States, etc.	Administration expense, emergency relief [2] (1)	Division of Disbursement (2)	Coast Guard [3] (3)	Bureau of Customs (4)	Bureau of the Mint (5)	Bureau of Internal Revenue (6)	Bureau of Narcotics (7)
Oregon	$125,871.18	$15,906.00	$134,034.92	$163,328.00		$326,601.31	$10,800.00
Pennsylvania	480,403.79	25,475.00	940,229.25	1,931,263.00	$983,038.00	3,666,460.52	31,800.00
Philippine Islands		2,279.00				21,798.83	
Puerto Rico	233,977.05	20.00	80,979.89			31,463.69	
Rhode Island	54,274.50		395,591.02	61,008.00		223,224.75	
South Carolina	101,548.77		141,872.73	27,787.00		331,344.33	4,000.00
South Dakota	93,808.62		7.14	[14]		146,813.08	1,800.00
Tennessee	93,118.89		1,530.51	19,873.00		537,407.95	26,900.00
Texas	388,137.90	40,289.00	1,058,233.29	537,292.00		1,632,349.67	96,600.00
Utah	71,627.03	17,813.00		7,848.00		209,524.61	3,500.00
Vermont	27,615.32		1,396.43	275,473.00		123,650.50	
Virginia	99,796.20		1,346,599.67	203,811.00		603,696.88	11,900.00
Virgin Islands	21,658.73	2.00	26,887.21				
Washington	113,896.70	21,248.00	1,288,996.89	544,717.00	41,253.00	698,980.88	27,600.00
West Virginia	140,038.78		491.49	[5]		394,310.33	5,100.00
Wisconsin	236,637.67		513,399.88	66,439.00		834,379.10	3,700.00
Wyoming	34,771.44		24.49	[15]		109,599.70	1,700.00
Total	14,639,915.13	1,922,527.00	26,520,212.82	30,963,815.00	2,606,304.43	61,643,124.76	[16] 1,227,100.00
Adjusted to checks-issued basis		+7,528.22	−630,183.91	+5,869,397.82	+194,434.70	−2,419,760.52	+62,316.24
Total (checks issued)	14,639,915.13	1,930,055.22	25,890,028.91	[17] 36,833,212.82	2,800,739.13	[18] 59,223,364.24	1,289,416.24

States, etc.	Procurement Division		Public Debt Service	Public Health Service	Secret Service Division	Treasurer of the United States [3]	Total
	Public Buildings Branch (8)	Branch of Supply [3] (9)	(10)	(11)	(12)	(13)	(14)
Alabama	$420,671.21	$79,513.71		$530,005.01	$12,358.71		$2,055,834.10
Alaska	515,732.60			86,838.42			994,839.19
Arizona	142,038.28	20,656.08		78,660.66	4,446.58		526,850.68
Arkansas	469,307.57	97,736.16		234,054.35	13,089.35		1,348,266.78
California	5,766,019.15	191,657.30	$72,449.81	1,230,321.55	71,280.12	$40,470.21	15,529,432.53
Colorado	291,477.09	57,385.17		106,573.32	18,902.41		1,608,334.22
Connecticut	400,823.50	38,966.43		146,146.78	10,542.60		2,530,201.81
Delaware	80,025.51	6,400.57		45,335.04			313,286.79

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

District of Columbia:							
Departmental	8,973,545.62	2,776,023.45	5,102,685.92	567,493.79	77,935.55	1,473,456.39	41,313,664.80
Field				2,184,350.85	323,640.66		9,167,370.53
Florida	500,714.04	69,493.10		380,020.34	10,973.75		3,061,073.36
Georgia	519,629.94	55,891.08	42,045.24	575,840.19	24,223.85	37,856.82	2,418,570.32
Hawaii	201,934.31	6,979.42		187,960.85	47.97		1,179,785.05
Idaho	304,255.40	27,915.08		81,598.61	4,642.68		612,175.72
Illinois	3,485,119.80	398,349.03	147,331.02	658,056.21	64,148.57	61,224.17	9,313,976.05
Indiana	1,640,407.33	82,326.48		274,995.99	10,703.92		3,171,689.94
Iowa	846,632.11	37,126.73		200,140.95	331.00		1,754,327.38
Kansas	828,459.22	53,704.08		174,195.66	973.61		1,667,179.76
Kentucky	676,601.77	81,813.38		1,112,557.89	20,007.58		3,464,753.50
Louisiana	727,931.64	66,149.22		1,279,528.93	30,417.49		3,925,907.53
Maine	232,660.94	25,288.61		207,852.18			1,293,582.74
Maryland	643,214.06	60,182.52		794,073.12	25,091.82		5,335,095.22
Massachusetts	1,157,182.90	113,362.67	885,559.21	710,521.09	46,271.13	30,236.54	8,640,588.01
Michigan	1,108,930.06	80,180.35		640,553.71	37,696.18		5,071,565.90
Minnesota	810,465.11	104,645.58	60,865.03	221,317.11	19,646.45	19,291.62	2,693,063.68
Mississippi	316,291.16	49,934.20		233,049.81			1,241,427.76
Missouri	1,889,309.73	92,504.70	150,588.50	510,314.79	34,931.83	62,686.30	4,544,395.01
Montana	525,191.33	35,983.37		174,615.04	401.80		1,148,654.28
Nebraska	238,591.26	53,634.52		67,188.83	11,482.46		1,118,426.81
Nevada	133,967.32	19,273.63		31,622.66	3,737.49		293,943.68
New Hampshire	193,357.59	14,986.78		49,430.11	408.80		456,142.55
New Jersey	1,095,243.02	178,155.12		217,697.06	29,872.52		4,724,840.92
New Mexico	30,945.22	33,356.41		348,045.93	824.27		613,058.68
New York	27,221,688.50	1,028,857.34	982,387.66	2,659,174.16	121,188.88	77,015.76	62,292,369.69
North Carolina	1,017,921.51	63,244.96		382,698.93	13,385.78		3,129,161.68
North Dakota	303,680.09	33,354.28		67,685.29			829,260.87
Ohio	2,917,098.23	150,683.74	93,741.33	805,866.57	43,982.72	23,599.55	7,603,863.98
Oklahoma	454,732.41	101,705.17		256,715.94	19,942.25		1,639,048.66
Oregon	288,698.43	60,446.59		129,202.29	10,050.20		1,264,938.92
Pennsylvania	2,027,652.52	276,196.27	72,405.01	718,369.90	81,180.82	26,996.67	11,261,470.75
Philippine Islands				31,899.74			55,977.57
Puerto Rico	2,438.59	65,620.37		56,855.39			471,354.98
Rhode Island	40,035.78	17,008.67		75,206.73	6,684.29		873,033.74
South Carolina	626,430.51	56,217.17		277,772.80	7,551.19		1,574,524.50
South Dakota	481,374.38	33,562.19		84,871.33	202.95		842,439.69
Tennessee	877,571.53	52,055.72		464,391.04	19,851.76		2,092,700.40
Texas	3,689,874.36	111,097.03	52,635.42	913,367.53	59,779.47	14,687.34	8,594,343.01
Utah	216,765.78	26,116.17		72,286.64	6,110.72		631,591.95
Vermont	329,894.40	5,714.69		51,360.14			815,104.48
Virginia	675,710.36	56,353.59	58,932.43	644,343.60	12,662.28	26,530.17	3,740,336.18
Virgin Islands	155,327.55	10,757.34		19,953.08			234,585.91
Washington	681,318.70	62,875.62		653,362.10	32,007.09		4,166,255.98
West Virginia	802,186.47	82,571.91		184,300.96	504.45		1,609,504.39

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 10.—*Expenditures of the several activities of the Treasury Department in each of the States and Territories, fiscal year 1938*—Contd.

States, etc.	Procurement Division		Public debt Service	Public Health Service	Secret Service Division	Treasurer of the United States [3]	Total
	Public Buildings Branch	Branch of Supply [3]					
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Wisconsin	$847,738.88	$122,825.72		$212,996.53	$9,146.04		$2,846,962.82
Wyoming	138,033.54	13,679.95		28,419.97	227.85		326,456.94
Total	78,962,848.31	7,440,519.42	$7,721,626.58	[19] 23,132,057.49	1,353,489.89	$1,894,051.54	260,027,592.37
Adjusted to checks-issued basis	+8,878.02		−92,315.48	−1,836,160.98	−284,800.48		+879,333.63
Total (checks issued)	[20] 78,971,726.33	7,440,519.42	7,629,311.10	21,295,896.51	1,068,689.41	1,894,051.54	260,906,926.00

[1] The figures in this statement include only those expenditures under each Treasury activity susceptible of distribution on State lines and do not exhibit all expenditures by the Treasury in the various States. Items such as payments of interest and principal under public debt, certain administrative expenses in Washington, and certain other expenditures not susceptible to distribution are excluded. The expenditures by States are based upon obligations or vouchers approved for payment, the totals being adjusted to checks issued.

[2] For accounting, disbursing, and other administrative expenses.

[3] Includes expenditures from funds provided under the Emergency Relief Appropriation Acts.

[4] Included in Tennessee.

[5] Included in Pennsylvania.

[6] Included in Maryland.

[7] Included in Montana.

[8] Included in Missouri.

[9] Included in Alabama and Louisiana.

[10] Included in Utah.

[11] Included in Maine.

[12] Included in New York and Pennsylvania.

[13] Included in Texas.

[14] Included in North Dakota.

[15] Included in Nebraska.

[16] Estimated. No exact distribution by States available since enforcement work is divided into districts.

[17] Excludes expenditures incurred by employees not attached to the Office of Collector of Customs which cannot be distributed by States. For this reason, expenditures from "Collecting the revenue from customs," cover only expenses of collection districts.

[18] Represents salaries, travel, and miscellaneous expenditures. Excludes refunds of internal revenue and refunds and payments of processing and related taxes.

[19] Exclusive of $29,348.55 expended in the Canal Zone.

[20] Excludes $2,474,950.48 expended for the repair, preservation, and equipment of public buildings not susceptible to distribution by States.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 11.—*Comparison of detailed internal revenue collections for the fiscal years 1937 and 1938*

[On basis of reports of collections, see p. 352]

Source	1937	1938	Increase or decrease (−)
Income, excess-profits, and unjust enrichment taxes:			
Corporation income taxes	$1,056,923,129.52	$1,299,932,071.95	$243,008,942.43
Individual income taxes	1,091,740,746.47	1,286,311,881.92	194,571,135.45
Total income taxes	2,148,663,875.99	2,586,243,953.87	437,580,077.88
Excess-profits taxes	25,104,607.72	36,569,041.83	11,464,434.11
Unjust enrichment taxes (title III, Revenue Act of 1936)	6,073,351.02	6,216,735.52	143,384.50
Total	2,179,841,834.73	2,629,029,731.22	449,187,896.49
Capital stock tax	137,499,245.53	139,348,566.58	1,849,321.05
Estate tax	281,635,983.21	382,175,325.84	100,539,342.63
Gift tax	23,911,783.26	34,698,739.01	10,786,955.75
Liquor taxes:			
Distilled spirits (imported), excise tax	32,236,773.87	28,250,370.79	−3,986,403.08
Distilled spirits (domestic), excise tax	241,812,130.10	231,815,990.00	−9,996,140.10
Distilled spirits, rectification tax	11,035,437.67	10,833,776.29	−201,661.38
Still or sparkling wines, cordials, etc. (imported), excise tax	565,161.30	506,247.68	−58,913.62
Still or sparkling wines, cordials, etc. (domestic), excise tax	5,425,497.34	5,385,362.54	−40,134.80
Brandy used for fortifying sweet wines	3,065,526.56	1,056,078.04	−2,009,448.52
Rectifiers, retail and wholesale liquor dealers, manufacturers of stills (special taxes)	7,376,088.15	7,113,641.03	−262,447.12
Stamps for distilled spirits intended for export	223.60	1,386.50	1,162.90
Case stamps for distilled spirits bottled in bond	63,119.00	308,482.68	245,363.68
Container stamps (Liquor Taxing Act of 1934)	10,427,870.37	9,503,791.23	−924,079.14
Floor taxes (Liquor Taxing Act of 1934)	653,158.68	11,016.46	−642,142.22
Fermented malt liquors	277,455,238.78	269,347,987.45	−8,107,251.33
Brewers, retail and wholesale dealers in malt liquors (special taxes)	4,128,860.85	3,844,470.84	−284,390.01
Total	594,245,086.27	567,978,601.53	−26,266,484.74
Tobacco manufactures taxes:			
Cigars (large):			
Class A	9,737,305.33	9,449,179.36	−288,125.97
Class B	162,198.94	166,189.42	3,990.48
Class C	2,835,477.82	2,659,853.80	−175,624.02
Class D	442,498.37	414,069.82	−28,428.55
Class E	69,479.07	61,622.65	−7,856.42
Total	13,246,959.53	12,750,915.05	−496,044.48
Cigars (small)	144,866.37	130,994.26	−13,872.11
Cigarettes (large)	19,237.65	21,185.72	1,948.07
Cigarettes (small)	476,027,206.64	493,432,959.72	17,405,753.08
Tobacco, chewing and smoking	55,037,541.28	53,982,098.23	−1,055,443.05
Snuff of all descriptions	6,659,508.89	6,678,853.67	19,344.78
Cigarette papers	1,103,114.59	1,170,602.98	67,488.39
Cigarette tubes	13,262.40	11,936.00	−1,326.40
Leaf dealer penalties, etc.	2,447.87	2,421.90	−25.97
Total	552,254,145.22	568,181,967.53	15,927,822.31
Stamp taxes (title VIII, Revenue Act of 1926, as amended):			
Bonds of indebtedness, issues of capital stock, deeds of conveyance, etc.	28,651,710.11	20,083,581.38	−8,568,128.73
Capital stock (and similar interests), sales or transfers	31,350,597.49	18,355,346.01	−12,995,251.48
Sales of produce for future delivery	5,096,813.70	3,599,388.57	−1,497,425.13
Playing cards	4,186,502.43	4,052,567.33	−133,935.10
Silver bullion sales or transfers	633,712.38	142,107.43	−491,604.95
Total	69,919,336.11	46,232,990.72	−23,686,345.39
Manufacturers' excise taxes:			
Lubricating oils	31,463,002.16	31,565,020.49	102,018.33
Brewer's wort and malt	822,410.23	487,569.06	−334,841.17
Matches	6,900,064.15	4,683,873.16	−2,216,190.99
Gasoline	196,532,813.58	203,648,079.78	7,115,266.20
Electrical energy	35,974,552.33	38,455,401.97	2,480,849.64
Toilet preparations, etc.	18,319,181.39	16,336,565.43	−1,982,615.96
Articles made of fur	5,919,688.34	5,341,980.60	−577,707.74
Automobile trucks	9,030,872.08	6,696,866.82	−2,334,005.26
Other automobiles and motorcycles	65,264,953.87	43,364,839.25	−21,900,114.62
Tires and inner tubes	40,819,179.55	31,567,183.66	−9,251,995.89
Parts or accessories for automobiles	10,085,780.21	7,988,801.79	−2,096,978.42
Radio sets, phonograph records, etc.	6,754,272.07	5,848,841.64	−905,430.43
Mechanical refrigerators	9,912,574.04	8,829,048.33	−1,083,525.71

Footnotes at end of table,

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 11.—*Comparison of detailed internal revenue collections for the fiscal years 1937 and 1938*—Continued

Source	1937	1938	Increase or decrease (−)
Manufacturers, excise taxes—Continued.			
Sporting goods	$6,801,661.46	$6,663,204.48	−$138,456.98
Firearms, shells, and cartridges	3,234,357.22	2,826,973.06	−407,384.16
Pistols and revolvers	109,180.05	87,662.48	−21,517.57
Cameras and lenses	979,619.41	1,356,864.25	377,244.84
Chewing gum	929,467.58	1,004,740.08	75,272.50
Total	[1] 449,853,629.72	416,753,516.33	−33,100,113.39
Miscellaneous taxes:			
Bituminous Coal Act of 1937		3,211,601.04	3,211,601.04
Telegraph, telephone, cable, and radio facilities, etc	23,099,974.69	22,494,497.13	−605,477.56
Leased wires, etc. (telegraph and telephone)	1,469,652.28	1,482,567.39	12,915.11
Transportation of oil by pipe line	11,244,095.87	12,517,030.37	1,272,934.50
Leases of safe deposit boxes	2,039,714.37	2,013,158.73	−26,555.64
Admission to theaters, concerts, cabarets, etc	19,740,191.78	20,800,779.49	1,060,587.71
Club dues and initiation fees	6,287,768.24	6,550,931.12	263,162.88
Adulterated butter	3,919.73	10,989.31	7,069.58
Renovated butter	7,100.95	6,306.22	−794.73
Mixed flour	6,106.74	5,818.73	−288.01
Filled cheese		17,011.71	17,011.71
Oleomargarine:			
Colored	67,951.01	65,450.35	−2,500.66
Uncolored	967,635.66	1,033,045.37	65,409.71
Special taxes	1,312,823.57	1,367,429.91	54,601.34
Narcotics, other than marihuana	573,492.81	565,060.60	−8,432.21
Marihuana		9,103.71	9,103.71
Coconut, etc., oils processed (sec. 602½, Revenue Act of 1934)	29,688,239.18	27,470,030.40	−2,218,208.78
Crude petroleum processed, etc. (secs. 604 and 605, Revenue Act of 1934)	894,182.66	991,248.01	97,065.35
National Firearms Act	4,450.93	10,746.62	6,295.69
Sugar Act of 1937		30,569,130.14	30,569,130.14
Repealed taxes on boats, candy, checks, dividends, soft drinks, grape concentrates, and jewelry	[2] 850,396.12	[3] 504,104.75	−346,291.37
Receipts from other miscellaneous sources	31,261.80	9,608.50	−21,653.30
Total	98,288,963.39	131,705,649.60	33,416,686.21
Payroll taxes:			
Social Security Act, title VIII (with respect to employment)	207,339,090.61	502,918,025.46	295,578,934.85
Social Security Act, title IX (on employers of 8 or more)	58,119,313.68	90,266,534.13	32,147,220.45
Carriers and their employees	286,903.55	149,475,666.38	149,188,762.83
Total	265,745,307.84	742,660,225.97	476,914,918.13
Grand total, all collections	4,653,195,315.28	5,658,765,314.33	1,005,569,999.05

[1] Revised; collections of $727,700.13 of jewelry tax, repealed effective June 23, 1936, transferred to repealed taxes.

[2] Revised. Includes interest and penalties amounting to $727,700.13 on jewelry, $39,496.94 on candy, $38,553.04 on soft drinks, $35,581.20 on dividends, $8,220.99 on checks, $654.89 on grape concentrates, and $188.93 on yachts and boats.

[3] Includes interest and penalties amounting to $398,167.90 on jewelry, $35,051.97 on soft drinks, $42,308.51 on dividends, $14,769.82 on checks, $13,737.54 on candy, $68.06 on yachts and boats, and $0.95 on grape concentrates.

NOTE.—Collections for credit to trust accounts, included in the table above, were as follows:

	1937	1938	Increase or decrease (−)
Corporation income tax (Alaska railways)	$14,066.66	$13,988.00	−$78.66
Distilled spirits (domestic)	413,433.48	286,371.81	−127,061.67
Distilled spirits, rectification tax		21,877.59	21,877.59
Wines (domestic)	85.32	.10	−85.22
Fermented malt liquors	214.50	943.30	728.80
Cigars (large)	328,595.56	402,758.59	74,163.03
Cigarettes (large)	21.40	7.36	−14.04
Cigarettes (small)	2,947.94	1,781.29	−1,166.65
Tobacco		10.50	10.50
Coconut oil	18,127,809.60	14,203,377.67	−3,924,431.93
Total trust fund collections (included above)	18,887,174.46	14,931,116.21	−3,956,058.25

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 12.—*Internal revenue receipts, by tax sources, fiscal years 1916 to 1938* [1]

[On basis of reports of collections, see p. 352]

Year	Income and excess-profits [2]					Capital stock
	Corporation	Individual	Total income [3]	Excess-profits	Total income and excess-profits	
1916	$56,993,658	$67,943,595	$124,937,253		$124,937,253	
1917	[3] 207,236,828	180,108,340	387,345,168	$37,176	387,382,344	$10,471,689
1918			2,852,324,866		2,852,324,866	24,996,205
1919			2,600,783,903		2,600,783,903	28,775,750
1920			3,956,936,004		3,956,936,004	93,020,421
1921			3,228,137,674		3,228,137,674	81,525,653
1922			2,086,918,465		2,086,918,465	80,612,240
1923			1,691,089,535		1,691,089,535	81,567,739
1924			1,841,759,317		1,841,759,317	87,471,692
1925	916,232,697	845,426,352	1,761,659,049		1,761,659,049	90,002,595
1926	1,094,979,734	879,124,407	1,974,104,141		1,974,104,141	97,385,756
1927	1,308,012,533	911,939,911	2,219,952,444		2,219,952,444	8,970,231
1928	1,291,845,989	882,727,114	2,174,573,103		2,174,573,103	8,688,502
1929	1,235,733,256	1,095,541,172	2,331,274,428		2,331,274,428	5,956,296
1930	1,263,414,466	1,146,844,764	2,410,259,230		2,410,259,230	46,967
1931	1,026,392,699	833,647,798	1,860,040,497		1,860,040,497	
1932	629,566,115	427,190,582	1,056,756,697		1,056,756,697	
1933	394,217,784	352,573,620	746,791,404		746,791,404	
1934	397,515,852	419,509,488	817,025,340	2,630,615	819,655,955	80,168,344
1935	572,117,876	527,112,506	1,099,230,382	6,560,483	1,105,790,865	91,508,121
1936	738,522,230	674,416,074	1,412,938,304	14,509,290	1,427,447,594	94,942,752
1937	1,056,923,130	1,091,740,746	2,148,663,876	25,104,608	2,173,768,484	137,499,246
1938	1,299,932,072	1,286,311,882	2,586,243,954	36,569,042	2,622,812,996	139,348,567

Year	Dividend	Estate	Gift	Distilled spirits and wines, including special taxes	Fermented malt liquors, including special taxes	Tobacco manufactures, including special taxes in effect to June 30, 1926
1916				$158,682,440	$88,771,104	$88,063,948
1917		$6,076,575		192,111,319	91,897,194	103,201,592
1918		47,452,880		317,553,687	126,285,858	156,188,660
1919		82,029,983		365,211,252	117,839,602	206,003,092
1920		103,635,563		97,905,276	41,965,874	295,809,355
1921		154,043,260		82,598,065	25,364	255,219,385
1922		139,418,846		45,563,350	46,086	270,759,384
1923		126,705,207		30,354,007	4,079	309,015,493
1924		102,966,762		27,580,381	5,328	325,638,931
1925		101,421,767	$7,518,129	25,902,820	1,954	345,247,211
1926		116,041,036	3,175,339	26,436,334	15,694	370,666,439
1927		100,339,852		21,194,669	883	376,170,205
1928		60,087,234		15,307,496	300	396,450,041
1929		61,897,141		12,776,628	100	434,444,543
1930		64,769,625		11,695,267		450,339,061
1931		48,078,327		10,432,064		444,276,503
1932		47,422,313		8,703,963		398,578,619
1933		29,693,062	4,616,662	8,016,045	35,158,272	402,739,059
1934	$50,229,123	103,985,288	9,153,076	89,951,748	168,959,585	425,168,897
1935	961,480	140,440,682	71,671,277	195,457,893	215,563,879	459,178,626
1936	398,790	218,780,754	160,058,761	256,337,600	249,126,437	501,165,728
1937	35,581	281,635,983	23,911,783	312,660,987	281,584,100	552,254,145
1938	42,309	382,175,326	34,698,739	294,786,143	273,192,458	568,181,968

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 12.—*Internal revenue receipts, by tax sources, fiscal years 1916 to 1938* [1]—Con.

Year	Stamp					Manufacturers', etc., excise [6]	Soft drinks
	Bonds of indebtedness, issues of capital stock, deeds of conveyance, etc. [4]	Capital stock and similar interests, sales or transfers	Sales of produce for future delivery	Playing cards	Silver bullion sales or transfers		
1916	$38,110,282	(5)	(5)	$819,654		$4,218,979	
1917	8,254,342	(5)	(5)	820,897		775,078	
1918	17,284,805	$2,236,040	$2,353,889	1,276,505		36,636,607	$2,215,181
1919	28,946,888	7,540,881	7,263,571	2,091,791		79,400,266	7,182,219
1920	59,715,331	13,372,164	8,171,871	3,088,462		267,968,579	57,460,956
1921	53,551,491	8,790,906	7,521,676	2,603,941		229,397,837	58,675,973
1922	41,347,753	9,012,702	5,558,589	2,787,921		174,361,288	33,504,284
1923	44,603,166	9,871,604	7,015,382	3,385,227		185,117,058	10,131,897
1924	43,031,608	7,936,832	7,557,577	3,731,537		200,921,721	10,418,866
1925	27,862,622	12,808,629	5,397,148	3,183,385		140,877,326	
1926	28,480,422	17,137,186	4,183,218	4,213,414		150,220,488	
1927	13,044,446	16,674,103	2,884,534	4,742,469		66,850,109	
1928	15,561,459	24,208,538	4,048,499	5,010,712		51,951,694	
1929	17,868,372	37,595,928	3,333,427	5,375,804		5,723,791	
1930	22,611,275	46,698,227	3,599,875	4,819,293		2,676,261	
1931	14,757,383	25,519,973	1,682,681	4,993,559		149,744	
1932	9,198,539	17,696,130	959,320	4,386,831		96,195	
1933	16,034,755	33,188,495	4,206,598	3,908,354		243,615,880	4,186,447
1934	16,259,305	38,065,999	7,847,743	4,406,385	$606	385,306,199	4,746,733
1935	17,934,777	15,747,363	3,950,544	4,351,299	1,149,390	342,159,137	129,991
1936	28,162,658	33,054,798	2,943,542	4,143,698	685,188	382,732,511	60,029
1937	28,651,710	31,350,597	5,096,814	4,186,502	633,712	450,638,609	38,553
1938	20,083,581	18,355,346	3,599,389	4,052,567	142,107	417,205,549	35,052

Year	Telegraph, telephone, cable, and radio facilities, etc.	Transportation, including oil by pipe line	Insurance	Leases of safe deposit boxes	Checks, drafts, or orders for the payment of money	Admissions	Club dues
1916	(5)	(5)	(5)				
1917	(5)	(5)	(5)				
1918	$6,299,017	$64,437,533	$6,492,025			$26,357,339	$2,259,057
1919	17,902,389	219,937,183	14,508,881			50,919,608	4,072,549
1920	27,677,041	261,671,046	18,421,754			76,720,555	5,198,001
1921	28,442,413	273,070,001	18,992,094			89,730,833	6,159,818
1922	29,271,522	169,518,727	10,855,404			73,384,956	6,615,634
1923	30,380,784					70,175,147	7,170,731
1924	34,662,429					77,712,524	8,009,861
1925						30,907,809	8,690,588
1926						23,980,677	10,073,838
1927						17,940,637	10,436,021
1928						17,724,952	10,352,990
1929						6,083,056	11,245,255
1930						4,230,667	12,521,092
1931						2,778,864	11,477,723
1932						1,858,606	9,204,587
1933	14,564,756	7,467,298		$2,365,041	$38,456,493	15,520,512	6,679,261
1934	19,250,800	10,379,370		2,715,851	41,383,199	14,613,414	5,986,150
1935	19,741,434	9,479,722		2,317,619	25,645,139	15,379,397	5,784,495
1936	21,098,348	9,793,995		1,997,410	25,556	17,112,176	6,090,923
1937	24,569,627	11,244,096		2,039,714	8,221	19,740,192	6,287,768
1938	23,977,064	12,517,030		2,013,159	14,770	20,800,779	6,550,931

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 12.—*Internal revenue receipts, by tax sources, fiscal years 1916 to 1938* [1]—Con.

Year	Oleomargarine, including special taxes	Narcotics, including special taxes	Coconut, etc., oils processed	Crude petroleum processed, etc.	Bituminous coal	Social security	Carriers and their employees
1916	$1,485,971	$245,072					
1917	1,995,720	277,165					
1918	2,336,907	185,359					
1919	2,791,831	726,137					
1920	3,728,276	1,514,230					
1921	2,986,465	1,170,316					
1922	2,121,080	1,269,090					
1923	2,254,531	1,013,736					
1924	2,814,104	1,057,341					
1925	3,038,928	1,090,933					
1926	3,070,218	981,739					
1927	3,164,219	797,825					
1928	3,407,600	690,432					
1929	3,611,153	605,336					
1930	3,919,388	588,682					
1931	2,681,428	607,340					
1932	1,744,737	521,163					
1933	1,347,191	457,068					
1934	1,476,230	495,270					
1935	2,048,977	580,613	$24,457,091	$1,759,790			
1936	2,203,804	554,028	27,691,081	1,163,755	$729,218		$48,279
1937	2,348,415	573,493	29,688,239	894,183		$265,458,404	286,904
1938	2,465,926	574,164	27,470,030	991,248	3,211,601	593,184,560	149,475,656

Year	Receipts in connection with prohibition enforcement	Miscellaneous [7]	Special taxes not elsewhere included [8]	Agricultural adjustment	Sugar Act of 1937	Unjust enrichment	Total
1916		$480,477	$6,908,108				$512,723,288
1917		892,681	5,237,044				809,393,640
1918		1,091,814	2,691,587				3,698,955,821
1919		1,501,005	4,721,298				3,850,150,079
1920	$641,029	3,045,183	9,913,281				5,407,580,252
1921	2,152,387	1,975,970	8,585,540				4,595,357,062
1922	1,979,587	3,881,415	8,662,760				3,197,451,083
1923	729,244	3,125,078	8,035,583				2,621,745,228
1924	855,395	4,232,637	7,814,414				2,796,179,257
1925	560,888	12,156,929	5,811,558				2,584,140,268
1926	416,198	870,777	4,546,978				2,835,999,892
1927	502,877	2,009,639	7,967				2,865,683,130
1928	925,252	1,536,971	9,763				2,790,535,538
1929	727,006	536,111					2,939,054,375
1930	1,105,172	265,651					3,040,145,733
1931	586,150	166,518					2,428,228,754
1932	490,773	110,569					1,557,729,042
1933	529,789	56,923	239,859				1,619,839,224
1934	378,715	51,651	180,673	$371,422,886			2,672,239,195
1935		13,861	9,752	526,222,358			3,299,435,572
1936		14,732	7,029	71,637,207			3,520,208,381
1937		31,262	4,640			$6,073,351	4,653,195,315
1938		9,608	10,815		$30,569,130	6,216,736	5,658,765,314

[1] For figures for 1863 to 1915, see annual report for 1929, p. 419.

[2] Separate figures on corporation and individual income and excess-profits tax collections not available for the years 1918 to 1924.

[3] Included munitions manufacturers' tax, 1917, $27,663,940; and 1918, $13,296,927.

[4] Originally schedule A, act of Oct. 22, 1914; now covers issues and transfers of bonds of indebtedness, issues of capital stock, passage tickets, foreign insurance policies, and deeds of conveyance.

[5] Included under stamps, bonds of indebtedness, etc.

[6] Includes taxes on sales under act of Oct. 22, 1914, manufacturers', consumers', and dealers' excise taxes under the war revenue and subsequent acts, except soft drink taxes; all taxes paid by manufacturers of and dealers in adulterated and process or renovated butter, mixed flour, and filled cheese; and for 1932–38, manufacturers' excise taxes (act of 1932, as amended) except soft drinks.

[7] Includes receipts, in addition to those classed as miscellaneous, as follows: (*a*) For 1916–33, delinquent taxes collected under repealed laws, except delinquent collections on automobiles for 1929 and 1930, included under "Manufacturers' excise taxes," and on "Capital stock," under which the collections for 1927–30 represent delinquencies; (*b*) for 1919, 1920, and 1921 receipts which remained unclassified at the time the statistical tables were compiled; (*c*) internal revenue collected through customs offices for 1921–33; subsequently such receipts are included with "Distilled spirits"; (*d*) penalties for 1916, $458,773; 1917, $871,606; and 1918, $985,220; after 1918 all penalties are included under the respective taxes to which they relate.

[8] Includes the occupational taxes imposed under the act of Oct. 22, 1914, on various classes of entertainment proprietors, brokers, and bankers, with subsequent repeals and amendments to include hackney automobiles and boats. Collections for 1933 and 1934 were entirely from pleasure boats. Subsequently, collections under the National Firearms Act are included.

NOTE.—Collections for credit to trust accounts included in above table. For data for 1937 and 1938, see note on p. 426.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 13.—*Internal revenue receipts, by States and Territories, fiscal year 1938*

[On basis of reports of collections, see p. 352]

States, etc.	Income and excess-profits taxes [2]	Miscellaneous internal revenue taxes [2 3]	Social Security and Carriers Acts taxes	Total [3 4]
Alabama	$8,930,990.31	$3,124,197.18	$4,874,015.75	$16,929,203.24
Alaska	556,469.28	127,596.27	220,959.72	905,025.27
Arizona	2,662,142.28	857,705.28	993,227.63	4,513,075.19
Arkansas	4,298,638.61	2,025,093.12	1,722,736.61	8,046,468.34
California	159,246,287.59	113,832,563.60	42,491,176.81	315,570,028.00
Colorado	17,909,532.81	11,478,675.71	4,894,365.01	34,282,573.53
Connecticut	59,033,326.34	23,701,122.78	13,576,080.23	96,310,529.35
Delaware	69,088,374.37	8,237,340.28	3,391,395.82	80,717,110.47
District of Columbia	19,697,769.94	7,962,754.13	8,100,418.22	35,760,942.29
Florida	28,869,651.46	9,481,871.49	4,607,922.46	42,959,445.41
Georgia	19,203,976.86	6,996,206.40	7,524,509.83	33,724,693.09
Hawaii	10,305,167.84	2,852,241.46	1,237,179.71	14,394,589.01
Idaho	2,589,500.15	656,213.69	1,116,727.90	4,362,441.74
Illinois	241,521,862.15	172,776,529.88	83,665,125.39	497,963,517.42
Indiana	37,669,902.95	66,571,373.00	9,922,043.59	114,163,319.54
Iowa	13,245,056.44	6,215,176.85	5,133,125.09	24,593,358.38
Kansas	9,672,372.71	6,971,651.17	7,993,057.15	24,637,081.03
Kentucky	17,863,977.02	96,739,085.75	7,597,556.47	122,200,619.24
Louisiana	19,702,219.31	21,612,442.20	4,471,599.48	45,786,260.99
Maine	8,840,676.37	3,181,274.84	3,053,309.07	15,075,260.28
Maryland	45,136,654.22	51,294,841.03	12,541,876.77	108,973,372.02
Massachusetts	100,694,246.12	58,195,687.18	27,387,625.81	186,277,559.11
Michigan	162,748,128.24	109,027,204.10	36,407,588.16	308,182,920.50
Minnesota	31,453,032.65	23,660,539.80	16,352,731.85	71,466,304.30
Mississippi	3,947,645.88	1,230,601.52	1,432,291.92	6,610,539.32
Missouri	59,732,904.89	49,371,712.06	25,512,409.02	134,617,025.97
Montana	2,759,977.26	2,043,193.99	1,197,288.07	6,000,459.32
Nebraska	8,007,586.50	5,399,549.56	7,583,976.04	20,991,112.10
Nevada	3,543,516.88	669,314.10	712,699.08	4,925,530.06
New Hampshire	5,186,925.70	2,545,527.19	1,464,400.43	9,196,853.32
New Jersey	101,050,070.16	87,559,431.55	21,900,116.95	210,509,618.66
New Mexico	1,617,597.76	745,793.30	595,560.72	2,958,951.78
New York	696,955,510.85	388,652,453.82	158,690,676.36	1,244,298,641.03
North Carolina	28,128,483.75	290,495,033.01	8,394,654.72	327,018,171.48
North Dakota	788,733.70	277,112.30	513,417.21	1,579,263.21
Ohio	158,413,258.60	128,875,975.28	48,127,865.01	335,417,098.89
Oklahoma	21,887,880.55	34,988,042.05	5,785,850.86	62,661,773.46
Oregon	7,725,885.73	3,146,656.82	4,067,418.08	14,939,960.63
Pennsylvania	210,075,539.52	187,986,193.68	77,255,167.11	475,316,900.31
Rhode Island	17,781,971.89	10,861,066.39	3,835,494.47	32,478,532.75
South Carolina	7,426,860.85	1,999,294.77	2,674,928.65	12,101,084.27
South Dakota	953,466.38	471,520.73	545,686.12	1,970,673.23
Tennessee	16,937,819.08	9,064,473.00	6,140,025.59	32,142,317.67
Texas	72,059,785.77	48,167,526.35	19,298,737.19	139,526,049.31
Utah	4,017,164.33	2,621,811.03	1,499,028.01	8,138,003.37
Vermont	2,525,139.36	1,031,274.79	1,179,355.30	4,735,769.45
Virginia	28,798,410.11	163,355,671.78	10,249,763.60	202,403,845.49
Washington	17,628,308.89	9,628,145.06	7,234,224.00	34,490,677.95
West Virginia	14,141,916.03	5,131,992.63	5,074,461.89	24,348,370.55
Wisconsin	38,177,900.30	46,949,704.14	11,853,610.52	96,981,214.96
Wyoming	1,602,778.96	1,185,334.28	564,764.52	3,352,877.76
Philippine Islands		406,004.94		406,004.94
Puerto Rico		852,295.35		852,295.35
Total	2,622,812,995.70	2,293,292,092.66	742,660,225.97	5,658,765,314.33

[1] Federal tax receipts in the various States do not indicate the tax burden of the respective States, since the taxes may be eventually borne by persons in other States.

[2] Includes certain trust fund receipts, see note 4.

[3] Includes (on warrant basis) $28,250,370.79 from the excise tax on imported distilled spirits and $506,247.63 from the excise taxes on imported wines deposited by collectors of customs; also includes $3,596,436.39 from sale of documentary stamps deposited by postmasters.

[4] Includes collections for credit to trust funds as follows:

Income tax on Alaska railroads (act of July 18, 1914)	$13,988.00
Tax on Philippine manufactured products (act of Aug. 5, 1909)	694,424.03
Tax on Philippine coconut oil (sec. 602½, Revenue Act of 1934)	14,203,377.67
Tax on Puerto Rico manufactured products (act of Mar. 2, 1917)	19,326.52
Total internal revenue collections reported for credit to trust funds	14,931,116.22

NOTE.—For additional information see published report of the Commissioner of Internal Revenue for the year ended June 30, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 14.—*Expenses of the Internal Revenue Service, fiscal year 1938*

[On basis of checks issued, see p. 352]

A. DISBURSEMENTS FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1938", BY COLLECTION DISTRICTS

District	Salaries of collectors, deputies, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Alabama	$146,248.02	$19,367.56		$4,315.66	$169,931.24
Arizona	69,184.96	6,605.78		2,863.18	78,653.92
Arkansas	118,707.96	25,851.61		2,807.43	147,367.00
California:					
First district	512,296.30	41,579.69		14,714.44	568,590.43
Sixth district	546,710.88	32,628.79	$29,822.25	31,011.68	640,173.60
Colorado	160,916.53	12,683.94		3,511.05	177,111.52
Connecticut	279,168.42	6,606.35	300.00	7,803.24	293,878.01
Delaware	53,058.48	5,155.73		1,227.38	59,441.59
Florida	220,738.90	21,271.11	451.92	8,912.59	251,374.52
Georgia	192,768.28	26,929.84	628.46	4,575.50	224,902.08
Hawaii	66,389.00	2,459.37		4,767.52	73,615.89
Idaho	66,940.96	9,027.75		1,433.70	77,402.41
Illinois:					
First district	875,227.22	16,323.34	1,748.25	19,753.61	913,052.42
Eighth district	246,620.19	20,911.70		9,011.88	276,543.77
Indiana	244,279.34	13,551.88		9,057.15	266,888.37
Iowa	258,924.34	18,667.63		4,585.19	282,177.16
Kansas	179,215.81	20,526.61		5,266.58	205,009.00
Kentucky	211,509.43	22,014.44		7,205.37	240,729.24
Louisiana	189,107.60	21,989.65	900.00	4,709.97	216,707.22
Maine	119,463.70	11,503.03		4,766.15	135,732.88
Maryland	558,266.97	15,375.98	372.00	10,341.69	584,356.64
Massachusetts	719,285.97	5,678.51		11,389.62	736,354.10
Michigan	516,926.86	31,677.54	1,046.00	23,199.64	572,850.04
Minnesota	311,125.18	22,297.42		7,322.54	340,745.14
Mississippi	105,590.70	14,613.48	517.48	2,387.09	123,108.75
Missouri:					
First district	266,492.74	15,970.17	410.00	4,871.94	287,744.85
Sixth district	181,035.85	18,411.70		6,421.68	205,869.23
Montana	100,955.46	18,580.21		2,725.90	122,261.57
Nebraska	177,684.73	19,428.29		3,040.34	200,153.36
Nevada	48,224.48	5,076.45		1,147.88	54,448.81
New Hampshire	87,235.08	5,964.41	192.00	1,797.47	95,188.96
New Jersey:					
First district	162,823.82	7,901.94		4,279.85	175,005.61
Fifth district	473,604.68	12,282.64		7,421.56	493,308.88
New Mexico	57,314.04	7,365.66		1,538.99	66,218.69
New York:					
First district	626,818.65	6,618.97		12,067.82	645,505.44
Second district	780,916.69	2,104.15	3,870.00	12,381.09	799,271.93
Third district	698,184.49	2,697.93		13,791.03	714,673.45
Fourteenth district	333,712.16	14,105.88		5,835.40	353,653.44
Twenty-first district	188,362.04	9,558.46		2,783.75	200,704.25
Twenty-eighth district	301,884.60	8,413.07		9,648.15	319,945.82
North Carolina	189,802.00	22,789.88		5,939.65	218,531.53
North Dakota	67,189.97	9,494.35		1,247.08	77,931.40
Ohio:					
First district	222,750.32	3,080.17		6,771.33	232,601.82
Tenth district	142,391.65	8,921.42		5,247.53	156,560.60
Eleventh district	133,322.29	8,344.79		3,143.08	144,810.16
Eighteenth district	390,694.27	23,247.20		13,365.15	427,306.62
Oklahoma	217,514.78	34,669.65		7,050.09	259,234.52
Oregon	151,045.47	14,627.19	120.00	3,673.47	169,466.13
Pennsylvania:					
First district	636,462.06	17,836.39		20,357.45	674,655.90
Twelfth district	179,405.70	9,686.29		5,283.10	194,375.09
Twenty-third district	402,018.94	15,109.80		8,549.08	425,677.82
Rhode Island	126,573.91	2,089.32		4,964.37	133,627.60
South Carolina	108,806.06	9,388.75		3,294.41	121,489.22
South Dakota	68,554.28	11,683.83		2,571.61	82,809.72
Tennessee	171,410.12	24,894.00		3,754.81	200,058.93
Texas:					
First district	272,862.24	28,304.33	4,665.20	11,560.09	317,391.86
Second district	266,806.17	36,196.38		8,392.92	311,395.47
Utah	75,081.86	4,434.69		1,816.96	81,333.51
Vermont	73,097.63	6,223.21	516.00	2,118.21	81,955.05
Virginia	211,803.21	25,404.11		7,127.13	244,334.45
Washington	247,401.97	16,363.14	48.00	8,291.36	272,104.47
West Virginia	149,399.75	14,295.24		5,301.31	168,996.30
Wisconsin	377,369.88	27,268.17		8,358.18	412,996.23
Wyoming	61,025.62	9,804.43		2,607.97	73,438.02
Total	16,396,711.66	983,935.39	45,607.56	447,479.04	17,873,733.65

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 14.—*Expenses of the Internal Revenue Service, fiscal year 1938*—Continued

B. DISBURSEMENTS FROM THE APPROPRIATION "SALARIES AND ADMINISTRATIVE EXPENSES, SEC. 915, REVENUE ACT OF 1936 (TRANSFER FROM EXPORTATION AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES, DEPARTMENT OF AGRICULTURE, 1936), 1937, AND 1938," BY COLLECTION DISTRICTS

District	Salaries of deputies, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Alabama	$36,877.10	$1,187.15		$966.50	$39,030.75
Arizona	6,414.92	26.85		96.00	6,537.77
Arkansas	23,680.25	3,344.40		547.57	27,572.22
California:					
First district	27,615.44	147.79		400.42	28,163.65
Sixth district	23,906.00	89.91	$899.64	46.00	24,941.55
Colorado	17,852.11	430.45		60.07	18,342.63
Connecticut	7,399.92	42.10		66.72	7,508.74
Delaware	5,174.92	462.60		32.92	5,670.44
Florida	21,843.19	3,308.18		100.43	25,251.80
Georgia	56,583.44	3,407.18		610.91	60,601.53
Hawaii	12,296.42			110.47	12,406.89
Idaho	12,251.92			133.41	12,385.33
Illinois:					
First district	36,727.26	2,472.69		77.18	39,277.13
Eighth district	26,079.84	1,231.24		89.41	27,400.49
Indiana	23,161.48	2,174.51		771.23	26,107.22
Iowa	55,453.04	4,765.83		229.47	60,448.34
Kansas	33,012.04	8,157.29		592.44	41,761.77
Kentucky	36,666.51	5,038.88		243.21	41,948.60
Louisiana	50,129.99	2,571.63	300.00	1,378.14	54,379.76
Maine	8,779.92	95.70		60.12	8,935.74
Maryland	70,096.34	2,372.09	985.00	1,325.45	74,778.88
Massachusetts	41,635.00	472.25		287.95	42,395.20
Michigan	51,545.80	5,463.97		739.40	57,749.17
Minnesota	32,071.50	1,726.14		49.00	33,846.64
Mississippi	10,136.50				10,136.50
Missouri:					
First district	17,550.92	1,850.64		55.39	19,456.95
Sixth district	23,383.42	3,226.17			26,609.59
Montana	19,914.92	218.00		9.90	20,142.82
Nebraska	26,741.13	2,406.36		97.53	29,245.02
Nevada	2,599.92	519.80		149.46	3,269.18
New Hampshire	7,183.58	615.60		46.82	7,846.00
New Jersey:					
First district	7,659.84	10.65		196.16	7,866.65
Fifth district	22,830.00	1,200.30		406.02	24,436.32
New Mexico	6,720.00	1,360.38		11.80	8,092.18
New York:					
First district	19,014.92	759.21		92.84	19,866.97
Second district	67,247.00	233.50	2,580.00	366.40	70,426.90
Third district	43,397.83	253.60		1,576.47	45,227.90
Fourteenth district	20,371.49	1,314.63		75.01	21,761.13
Twenty-first district	11,667.91	1,656.46		65.82	13,390.19
Twenty-eighth district	22,711.76	1,690.27		234.58	24,636.61
North Carolina	19,972.83	1,402.41		270.68	21,645.92
North Dakota	11,599.92	779.97		185.09	12,564.98
Ohio:					
First district	20,202.12	1,518.91		130.15	21,851.18
Tenth district	14,488.14	2,023.64		354.34	16,866.12
Eleventh district	20,004.00	952.57		31.19	20,987.76
Eighteenth district	14,653.71	320.08		209.27	15,183.06
Oklahoma	34,229.02	5,207.26		205.05	39,641.33
Oregon	19,079.75	185.80		30.00	19,295.55
Pennsylvania:					
First district	49,736.52	3,150.92		602.23	53,489.67
Twelfth district	26,907.42	479.28		43.76	27,430.46
Twenty-third district	29,411.02	1,271.28		62.40	30,744.70
Rhode Island	6,371.33	273.74		163.01	6,808.08
South Carolina	26,514.92	6,879.40		300.94	33,695.26
South Dakota	9,896.26	2,536.71		195.40	12,628.37
Tennessee	51,200.54	1,080.41		328.39	52,609.34
Texas:					
First district	41,700.46	3,014.90	1,851.36	146.96	46,713.68
Second district	30,795.92	4,025.90		482.22	35,304.04
Utah	2,903.92	168.75		74.57	3,147.24
Vermont	4,039.92	270.10		364.92	4,674.94
Virginia	45,579.84	1,893.20		243.64	47,716.68
Washington	21,595.00	1,235.14		300.23	23,130.37
West Virginia	23,728.08	3,696.42		69.75	27,494.25
Wisconsin	45,974.92	3,730.47		142.43	49,847.82
Wyoming	8,239.92	1,897.05			10,136.97
Total	1,625,210.97	114,298.71	6,616.00	17,335.24	1,763,460.92

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 14.—*Expenses of the Internal Revenue Service, fiscal year 1938*—Continued

C. DISBURSEMENTS FROM THE APPROPRIATION "WORKING FUND, TREASURY, INTERNAL REVENUE (SALARIES AND EXPENSES, SOCIAL SECURITY BOARD), 1938," BY COLLECTION DISTRICTS

District	Salaries of deputies, clerks, etc.	Rent	Miscellaneous	Total
Alabama	$8,029.25		$1,198.38	$9,227.63
Arizona	4,126.50		97.65	4,224.15
Arkansas	6,615.00		220.54	6,835.54
California:				
First district	33,900.29		2,952.96	36,853.25
Sixth district	32,972.38	$2,712.38	4,154.47	39,839.23
Colorado	9,772.00		1,054.27	10,826.27
Connecticut	16,284.04		812.42	17,096.46
Delaware	2,520.00		29.25	2,549.25
Florida	9,116.50		352.85	9,469.35
Georgia	12,181.15		994.87	13,176.02
Hawaii	3,918.50			3,918.50
Idaho	5,000.75		708.07	5,708.82
Illinois:				
First district	48,382.28		2,619.73	51,002.01
Eighth district	19,511.20		1,839.28	21,350.48
Indiana	17,919.76		3,257.69	21,177.45
Iowa	20,319.41		2,144.93	22,464.34
Kansas	13,260.77		850.53	14,111.30
Kentucky	9,755.07		397.32	10,152.39
Louisiana	11,590.50		943.66	12,534.16
Maine	6,392.00		1,212.99	7,604.99
Maryland	24,407.51		2,820.65	27,228.16
Massachusetts	41,730.38		1,885.90	43,616.28
Michigan	31,259.35		6,110.80	37,370.15
Minnesota	23,050.70		1,462.70	24,513.40
Mississippi	6,544.50		634.06	7,178.56
Missouri:				
First district	14,693.76		638.23	15,331.99
Sixth district	10,915.00		791.31	11,706.31
Montana	5,627.00		626.03	6,253.03
Nebraska	9,121.50		639.12	9,760.62
Nevada	3,114.00		264.88	3,378.88
New Hampshire	4,174.50		312.46	4,486.96
New Jersey:				
First district	12,788.00		1,179.20	13,967.20
Fifth district	19,459.11		1,599.65	21,058.76
New Mexico	2,677.50		188.84	2,866.34
New York:				
First district	30,351.29		2,441.44	32,792.73
Second district	38,740.29		5,682.44	44,422.73
Third district	38,943.00		5,171.99	44,114.99
Fourteenth district	16,881.93		2,337.01	19,218.94
Twenty-first district	10,450.93		453.82	10,904.75
Twenty-eighth district	13,143.18		2,816.77	15,959.95
North Carolina	14,803.09		2,051.85	16,854.94
North Dakota	4,199.00		481.66	4,680.66
Ohio:				
First district	13,169.87		1,428.81	14,598.68
Tenth district	6,646.50		251.16	6,897.66
Eleventh district	8,121.62		942.37	9,063.99
Eighteenth district	20,384.93		2,149.35	22,534.28
Oklahoma	14,867.25		293.68	15,160.93
Oregon	8,725.50		1,466.22	10,191.72
Pennsylvania:				
First district	31,106.61		2,379.78	33,486.39
Twelfth district	8,235.00		515.80	8,750.80
Twenty-third district	23,419.90		2,433.45	25,853.35
Rhode Island	6,128.00		445.10	6,573.10
South Carolina	4,521.00		319.73	4,840.73
South Dakota	4,252.50		291.16	4,543.66
Tennessee	12,881.54		1,233.02	14,114.56
Texas:				
First district	24,311.50		4,902.44	29,213.94
Second district	23,358.98		1,181.08	24,540.06
Utah	4,246.00		600.59	4,846.59
Vermont	5,497.50		330.60	5,828.10
Virginia	12,200.50		750.64	12,951.14
Washington	14,092.81		815.08	14,907.89
West Virginia	8,951.00		1,679.04	10,630.04
Wisconsin	24,179.93		1,840.53	26,020.46
Wyoming	2,771.00		283.91	3,054.91
Total	950,712.31	2,712.38	92,966.21	1,046,390.90

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 14.—*Expenses of the Internal Revenue Service, fiscal year 1938*—Continued

D. DISBURSEMENTS FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1938", BY DIVISIONS

Division	Salaries of agents, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Atlanta	$162,350.85	$11,472.61		$1,979.49	$175,802.95
Baltimore	477,830.02	10,330.28		2,446.69	490,603.99
Boston	702,019.22	21,407.12	$17,749.98	11,460.45	752,636.77
Brooklyn	461,311.87	8,082.65	15,000.00	5,202.07	489,596.59
Buffalo	389,129.65	18,127.80	4,140.00	4,803.96	416,201.41
Chicago	865,740.27	19,865.09		7,311.17	892,916.53
Cincinnati	235,136.93	15,312.22	*1,200.00	2,230.81	253,879.96
Cleveland	466,620.78	24,956.49	15,794.76	6,190.69	513,562.72
Columbia	89,560.17	6,944.00	315.00	1,868.79	98,687.96
Dallas	602,987.50	39,082.12	254.95	5,378.32	647,702.89
Denver	150,843.11	12,271.04		1,797.27	164,911.42
Detroit	439,139.00	24,452.70		4,156.53	467,748.23
Greensboro	164,905.68	17,302.07		2,421.83	184,629.58
Honolulu	75,184.02	5,845.45		1,650.10	82,679.57
Huntington	102,438.14	7,249.13		1,935.12	111,622.39
Indianapolis	195,773.37	16,073.36		2,651.97	214,498.70
Jacksonville	217,918.24	18,169.92	922.80	3,080.56	240,091.52
Los Angeles	582,083.33	21,060.14	20,164.42	9,921.81	633,229.70
Louisville	131,108.21	10,164.57		1,335.23	142,608.01
Milwaukee	215,176.79	9,891.33		2,687.69	227,755.81
Nashville	222,505.62	15,861.08		2,713.93	241,080.63
Newark	529,942.56	18,235.85	16,280.00	7,763.55	572,221.96
New Haven	264,341.66	8,029.79	6,754.14	9,799.16	288,924.75
New Orleans	177,546.35	19,933.40	8.75	5,428.79	202,917.29
New York:					
Second division	1,129,802.88	20,305.06	16,000.00	9,940.57	1,176,048.51
Upper division	1,014,846.84	7,756.99		8,899.74	1,031,503.57
Oklahoma	239,839.33	29,173.87	1,904.80	4,671.72	275,589.72
Omaha	252,677.53	15,626.44	7,267.92	2,597.58	278,169.47
Philadelphia	716,781.39	25,234.30	13,954.55	5,295.11	761,265.44
Pittsburgh	395,245.13	15,251.82		2,436.85	412,933.80
Richmond	169,969.10	12,526.52	104.75	2,743.22	185,343.59
Salt Lake City	133,759.82	13,117.48		1,775.63	148,652.93
San Francisco	444,726.11	25,518.24		3,305.51	473,549.86
Seattle	300,499.03	15,376.99		3,333.87	319,209.89
Springfield	128,797.60	14,022.70		2,639.62	145,459.92
St. Louis	377,154.51	11,812.70		1,828.42	390,795.63
St. Paul	240,689.42	24,990.85		2,483.88	268,164.15
Wichita	125,497.57	14,661.48		1,129.53	141,288.58
Total	13,591,879.60	625,495.74	137,816.82	159,297.23	14,514,489.39

E. DISBURSEMENTS FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1938", BY DISTRICT SUPERVISORS' OFFICES

District	Salaries of supervisors, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Boston	$711,674.81	$51,923.21	$4,912.52	$38,473.58	$806,984.12
New York	910,621.30	72,279.38	11,141.57	68,756.78	1,062,799.03
Philadelphia	908,646.27	58,295.41	8,413.96	42,441.46	1,017,797.10
Newark	486,702.08	16,127.94	2,700.00	22,717.53	528,247.55
Baltimore	787,967.73	83,151.39	1,000.00	72,472.75	944,591.87
Atlanta	445,425.90	72,524.26	7,867.82	79,441.67	605,259.65
Louisville	748,193.81	36,813.24	1,329.13	30,160.61	816,496.79
Detroit	691,758.78	76,682.55	15,728.97	55,249.93	839,420.23
Chicago	1,139,000.87	90,036.95	6,220.88	73,172.23	1,308,430.93
New Orleans	559,374.22	68,374.07	9,432.54	50,593.31	687,774.14
Kansas City	508,853.66	77,398.52		48,726.77	634,978.95
St. Paul	403,745.72	61,482.21		47,130.11	512,358.04
Denver	201,270.47	24,598.25	1,742.00	17,793.06	245,403.78
San Francisco	846,067.46	69,351.26	3,707.00	48,556.10	967,681.82
Seattle	226,156.82	22,549.28		19,272.12	267,978.22
Total	9,575,459.90	881,587.92	74,196.39	714,958.01	11,246,202.22

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 14.—*Expenses of the Internal Revenue Service, fiscal year 1938*—Continued

F. DISBURSEMENTS BY THE CHIEF DISBURSING OFFICER, DIVISION OF DISBURSEMENT, TREASURY DEPARTMENT, AND DIRECT SETTLEMENTS THROUGH OFFICE OF THE COMPTROLLER GENERAL, CLAIMS DIVISION

Appropriation	Salaries	Travel expenses	Rent	Miscellaneous	Total
Collecting the internal revenue, 1938	$12,470,618.54	$495,594.46	$154,923.46	$462,488.47	$13,583,624.93
Salaries and administrative expenses, sec. 915, Revenue Act of 1936 (transfer from exportation and domestic consumption of agricultural commodities, Department of Agriculture, 1936), 1937 and 1938	1,320,900.70	53,276.60	39,649.14	119,726.85	1,533,553.29
Working fund, Treasury, Internal Revenue (salaries and expenses, Social Security Board), 1938	----------	----------	----------	38,767.78	38,767.78
Salaries and expenses, Silver Purchase Act of 1934, Bureau of Internal Revenue, 1938	40,935.85	1,217.85	----------	747.98	42,901.68
Total	13,832,455.09	550,088.91	194,572.60	621,731.08	15,198,847.68

G. RECAPITULATION, BY APPROPRIATIONS

Appropriation	Salaries	Travel expenses	Rent	Miscellaneous	Total
Collecting the internal revenue, 1938:					
Collectors	[1] $16,396,711.66	$983,935.39	$45,607.56	$447,479.04	$17,873,733.65
Agents	[2] 13,591,879.60	625,495.74	137,816.82	159,297.23	14,514,489.39
Supervisors	[3] 9,575,459.90	881,587.92	74,196.39	714,958.01	11,246,202.22
Chief disbursing officer, Treasury Department and General Accounting Office	[4] 12,470,618.54	495,594.46	154,923.46	462,488.47	13,583,624.93
Total	52,034,669.70	2,986,613.51	412,544.23	1,784,222.75	57,218,050.19
Salaries and administrative expenses, sec. 915, Revenue Act of 1936 (transfer from exportation and domestic consumption of agricultural commodities, Department of Agriculture, 1936), 1937 and 1938:					
Collectors	[5] 1,625,210.97	114,298.71	6,616.00	17,335.24	1,763,460.92
Chief disbursing officer, Treasury Department and General Accounting Office	[6] 1,320,900.70	53,276.60	39,649.14	119,726.85	1,533,553.29
Total	2,946,111.67	167,575.31	46,265.14	137,062.09	3,297,014.21
Working fund, Treasury, Internal Revenue (salaries and expenses, Social Security Board), 1938:					
Collectors	[7] 950,712.31	----------	2,712.38	92,966.21	1,046,390.90
Chief disbursing officer, Treasury Department and General Accounting Office	----------	----------	----------	38,767.78	38,767.78
Total	950,712.31	----------	2,712.38	131,733.99	1,085,158.68
Salaries and expenses, Silver Purchase Act of 1934, Bureau of Internal Revenue, 1938:					
Chief disbursing officer, Treasury Department and General Accounting Office	[8] 40,935.85	1,217.85	----------	747.98	42,901.68
Grand total	55,972,429.53	3,155,406.67	461,521.75	2,053,766.81	61,643,124.76

[1] $68,377.58 retirement deductions included.
[2] $472,010.68 retirement deductions included.
[3] $334,062.54 retirement deductions included.
[4] $346,602 retirement deductions included.
[5] $875.29 retirement deductions included.
[6] $34,300.67 retirement deductions included.
[7] $109.45 retirement deductions included.
[8] $377.36 retirement deductions included.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 14.—*Expenses of the Internal Revenue Service, fiscal year 1938*—Continued

CLAIMS APPROVED FOR PAYMENT FROM THE REFUNDING APPROPRIATIONS

Appropriation	For 1937 and prior years, obligated in 1938	For 1938 and prior years, obligated in 1938	Total
Refunding taxes illegally collected	$1,985,205.00	$32,088,043.15	$34,073,248.15
Refunds and payments of processing and related taxes, Bureau of Internal Revenue, 1938			10,200,359.64

TABLE 15.—*Computed values of dutiable imports for consumption and computed duties collected, by tariff schedules, fiscal years 1937 and 1938*

Tariff schedule	Value		Duties		Percentage increase or decrease (−)	
	1937	1938	1937	1938	Value	Duties
1. Chemicals, oils, and paints	$86,067,659	$55,475,355	$30,398,939	$19,111,704	−35.5	−37.1
2. Earths, earthenware, and glassware	33,754,630	31,425,073	16,402,821	14,849,477	−6.9	−9.5
3. Metals and manufactures	109,901,247	87,519,655	35,255,823	28,353,815	−20.4	−19.6
4. Wood and manufactures	18,497,238	16,340,747	2,973,764	2,736,283	−11.7	−8.0
5. Sugar, molasses, and manufactures	120,725,174	92,668,849	41,309,707	38,342,995	−23.2	−7.2
6. Tobacco and manufactures	31,580,909	32,281,061	25,528,833	22,859,323	2.2	−10.5
7. Agricultural products and provisions	332,489,274	200,033,084	117,293,886	67,078,770	−39.8	−42.8
8. Spirits, wines, and other beverages	78,374,877	68,968,811	46,130,298	41,087,302	−12.0	−10.9
9. Cotton manufactures	42,618,192	32,045,789	16,770,829	12,723,941	−24.8	−24.1
10. Flax, hemp, jute, and manufactures	76,735,299	60,282,274	19,026,276	14,730,639	−21.4	−22.6
11. Wool and manufactures	87,430,370	37,005,874	57,271,008	24,439,511	−57.7	−57.3
12. Silk manufactures	8,185,607	7,356,871	4,466,436	3,987,882	−10.1	−10.7
13. Manufactures of rayon or other synthetic textiles	7,941,656	4,897,922	3,204,943	2,248,238	−38.3	−29.9
14. Pulp, paper, and books	14,360,684	13,776,661	3,208,794	2,975,167	−4.1	−7.3
15. Sundries	161,179,304	130,951,663	47,374,734	40,701,376	−18.8	−14.1
Free list commodities taxable under the Revenue Act of 1932 and subsequent acts,[1] dutiable under section 466, Tariff Act of 1930, etc.	40,271,984	37,311,879	11,391,808	11,044,647	−7.4	−3.0
Total	1,250,114,104	908,341,568	478,008,899	347,271,070	−27.3	−27.4

[1] Taxes collected on dutiable commodities under the revenue acts and the Sugar Act of 1937 are included in appropriate schedules.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 16.—*Customs duties (estimated), value of imports entered for consumption, and ratio of duties to value of dutiable imports and to value of all imports, for the calendar years 1928 to 1937, and by months from January 1937 to June 1938* [1]

[Dollars in thousands]

Year and month	Estimated duties (including taxes on imports)	Value of imports entered for consumption		Ratio of dutiable to total	Ratio of duties to value of—	
		Total	Dutiable [2]		Dutiable imports	Total imports
Calendar year:				*Percent*	*Percent*	*Percent*
1928	$542,270	$4,077,937	$1,399,304	34.31	38.76	13.30
1929	584.772	4,338,572	1,458,444	33.62	40.11	13.48
1930	461,885	3,114,077	1,032,954	33.17	44.71	14.83
1931	370,771	2,088,455	696,762	33.36	53.21	17.75
1932	259,600	1,325,093	439,557	33.17	59.06	19.59
1933	283,681	1,433,013	529,466	36.95	53.53	19.80
1934	301,168	1,636,003	644,842	39.42	46.70	18.41
1935	357,608	2,037,939	832,418	40.85	42.96	17.55
1936	408,061	2,419,665	[3] 1,038,219	42.91	39.30	16.86
1937	470,505	3,009,906	1,243,534	41.31	37.84	15.63
Month:						
1937—January [3]	37,711	228,734	96,005	41.97	39.28	16.49
February [3]	43,504	260,047	110,460	42.48	39.38	16.73
March [3]	50,519	295,705	133,341	45.09	37.89	17.08
April [3]	47,210	280,899	126,019	44.86	37.46	16.81
May [3]	43,377	278,118	116,491	41.89	37.24	15.60
June [3]	40,965	278,300	113,532	40.79	36.08	14.72
July	40,353	262,919	110,842	42.16	36.41	15.35
August	37,407	248,730	101,760	40.91	36.76	15.04
September	34,481	233,959	93,368	39.91	36.93	14.74
October	33,751	226,470	88,100	38.90	38.31	14.90
November	30,320	212,389	77,953	36.70	38.90	14.28
December	30,908	203,636	75,663	37.16	40.85	15.18
1938—January	24,923	163,495	64,852	39.67	38.43	15.24
February	22,961	155,924	59,448	38.13	38.62	14.73
March	27,214	173,311	69,816	40.28	38.98	15.70
April	22,526	155,334	58,544	37.69	38.48	14.50
May	20,796	147,240	54,188	36.80	38.38	14.12
June	21,632	147,945	53,807	36.37	40.20	14.62

[1] The amount of customs duties is calculated on the basis of reports of the Bureau of Foreign and Domestic Commerce showing the quantity and value of merchandise imported. Figures for 1934 and previous years were compiled by the Bureau of Foreign and Domestic Commerce; figures for 1935 and subsequent data were compiled under the direction of the Treasury Department. For figures back to 1867, see annual reports for 1930, p. 523; 1932, p. 382; and corresponding tables in subsequent reports.

[2] Imports into Virgin Islands from foreign countries not included in "dutiable" imports for 1935 and subsequent years.

[3] Revised.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 17.—*Customs duties (estimated), value of dutiable imports, and ratio of estimated duties to value of dutiable imports, by tariff schedules, for the calendar years 1928 to 1937 and by months from January 1937 to June 1938* [1]

[Dollars in thousands]

Year and month	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	Schedule 1—Chemicals, oils, and paints			Schedule 2—Earths, earthenware, and glassware			Schedule 3—Metals and manufactures			Schedule 4—Wood and manufactures		
Calendar year:			*Percent*			*Percent*			*Percent*			*Percent*
1928	$28,011	$92,633	30.24	$25,865	$53,321	48.51	$46,251	$131,921	35.06	$4,191	$16,917	24.77
1929	33,910	110,452	30.70	27,014	55,304	48.85	54,654	154,022	35.48	4,301	17,411	24.70
1930	25,859	73,337	35.26	20,524	41,646	49.28	36,367	97,214	37.41	3,557	17,140	20.75
1931	20,279	52,913	38.33	13,421	25,694	52.23	23,062	58,518	39.41	2,389	12,749	18.74
1932	16,041	36,437	44.02	8,326	15,285	54.47	12,355	32,810	37.66	1,655	7,128	23.21
1933	18,286	42,296	43.23	9,012	16,444	54.80	17,081	45,116	37.86	3,026	14,191	21.32
1934	17,375	45,438	38.24	10,675	19,195	55.61	20,284	57,802	35.09	2,270	9,904	22.92
1935	28,205	66,105	42.67	11,636	22,853	50.92	23,305	68,013	34.27	2,923	12,657	23.10
1936	25,349	69,317	36.57	13,620	28,104	48.46	29,496	94,776	31.12	2,782	16,975	16.39
1937	29,264	83,316	35.12	18,067	36,954	48.89	37,135	114,020	32.57	3,188	19,861	16.05
Month:												
1937—January	2,054	[2] 6,277	[2] 32.72	1,126	2,389	47.12	[2] 2,244	[2] 7,341	30.57	205	[2] 1,280	[2] 16.02
February	2,696	[2] 7,619	35.39	1,413	2,919	48.42	2,436	7,892	30.87	229	1,436	15.92
March	[2] 3,388	[2] 9,493	[2] 35.68	1,399	2,884	48.50	[2] 3,121	10,079	[2] 30.97	250	1,588	15.73
April	[2] 3,255	[2] 9,190	35.42	1,713	3,408	50.26	[2] 3,595	[2] 10,679	[2] 33.66	269	1,696	15.85
May	4,292	10,878	39.46	1,264	[2] 2,662	[2] 47.48	[2] 3,521	[2] 10,972	[2] 32.09	267	1,640	16.27
June	[2] 3,385	9,174	[2] 36.90	1,496	3,013	49.64	[2] 3,370	[2] 10,536	[2] 31.99	284	1,944	14.63
July	2,822	7,836	36.01	1,746	3,438	50.79	3,238	10,106	32.04	306	2,074	14.75
August	1,971	5,655	34.85	1,556	3,171	49.07	3,352	10,435	32.12	300	1,896	15.82
September	1,667	5,073	32.86	1,576	3,150	50.03	3,489	10,614	32.87	283	1,875	15.09
October	1,317	4,433	29.71	1,878	3,733	50.31	3,331	9,743	34.19	306	1,857	16.48
November	1,068	3,786	28.21	1,708	3,511	48.65	2,873	8,068	35.61	272	1,541	17.65
December	1,349	3,902	34.62	1,193	2,675	44.60	2,567	7,554	33.98	218	1,035	21.06
1938—January	1,197	3,694	32.40	1,065	2,277	46.77	1,840	6,193	29.71	220	1,058	20.79
February	1,459	3,974	36.71	819	1,802	45.45	1,621	5,206	31.14	154	898	17.15
March	1,655	4,667	35.46	906	2,098	43.18	1,656	5,276	31.39	183	1,213	15.09
April	1,481	4,219	35.10	791	1,888	41.90	1,554	5,183	29.98	176	996	17.67
May	1,317	3,919	33.61	777	1,775	43.77	1,462	4,801	30.45	149	862	17.29
June	1,808	4,316	41.89	836	1,905	43.88	1,372	4,340	31.61	170	1,036	16.41

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

	Schedule 5—Sugar, molasses, and manufactures			Schedule 6—Tobacco and manufactures			Schedule 7—Agricultural products and provisions			Schedule 8—Spirits, wines, and other beverages		
Calendar year:			*Percent*			*Percent*			*Percent*			*Percent*
1928	$118,572	$174,760	67.85	$39,315	$62,319	63.09	$64,140	$282,375	22.71	$483	$1,346	35.88
1929	131,190	156,232	83.97	39,105	60,116	65.05	68,055	297,161	22.90	544	1,571	34.63
1930	116,809	116,844	99.97	40,141	56,152	71.49	59,595	213,035	27.97	430	1,363	31.55
1931	99,631	74,819	133.16	32,310	43,201	74.79	56,613	134,337	42.14	376	1,273	29.54
1932	76,061	45,762	166.21	22,481	27,314	82.31	43,418	90,666	47.89	418	1,149	36.38
1933	67,408	44,540	151.34	21,542	24,754	87.02	46,189	103,941	44.44	7,414	9,179	80.78
1934	43,706	64,945	67.30	22,486	25,235	89.11	53,264	138,787	38.38	42,471	50,202	84.60
1935	39,985	94,953	42.11	21,958	25,974	84.54	87,559	219,133	39.96	39,326	42,384	92.78
1936	40,578	113,423	35.78	25,231	29,931	84.30	90,559	247,153	36.64	43,954	77,169	56.96
1937	45,371	126,645	35.83	24,213	31,776	76.20	106,775	310,156	34.43	46,093	74,973	61.48
Month:												
1937—January	3,578	10,030	35.68	[2] 1,940	[2] 2,373	[2] 81.75	[2] 9,071	[2] 24,928	[2] 36.39	[2] 2,931	[2] 4,665	[2] 62.83
February	4,304	11,465	37.54	[2] 1,869	[2] 2,289	[2] 81.65	[2] 11,418	[2] 29,429	38.80	3,002	4,598	65.29
March	[2] 6,184	[2] 18,372	33.66	[2] 1,812	[2] 2,351	[2] 77.07	[2] 13,003	[2] 35,236	[2] 36.90	3,696	5,718	64.65
April	[2] 6,502	[2] 19,313	[2] 33.67	[2] 2,329	[2] 2,893	[2] 80.50	[2] 10,223	28,468	[2] 35.91	3,499	5,449	64.22
May	4,320	13,371	32.31	[2] 1,972	[2] 2,562	[2] 76.97	[2] 10,613	[2] 29,947	35.44	3,488	5,750	60.66
June	3,663	11,015	33.26	[2] 2,267	[2] 2,939	[2] 77.14	[2] 10,631	32,700	32.51	3,371	5,498	61.31
July	4,280	12,159	35.20	2,168	2,748	78.89	9,707	30,085	32.27	3,057	5,126	59.64
August	3,798	9,907	37.99	2,055	2,859	71.88	7,823	25,110	31.15	2,884	4,855	59.40
September	1,858	4,823	38.52	2,015	2,788	72.27	7,285	23,145	31.48	3,516	5,674	61.97
October	1,837	4,823	38.09	1,913	2,668	71.70	6,621	20,180	32.81	4,838	7,799	62.03
November	1,931	5,074	38.06	1,802	2,537	71.03	5,362	16,278	32.94	5,196	8,563	60.68
December	3,115	6,203	50.22	2,071	2,768	74.82	5,017	14,650	34.25	6,614	11,279	58.64
1938—January	3,790	9,904	38.27	1,659	2,264	73.28	4,703	12,751	36.88	2,334	3,967	58.84
February	3,606	8,125	44.38	1,193	1,717	69.48	4,326	11,779	36.73	2,157	3,611	59.73
March	4,485	10,138	44.24	2,886	4,525	63.78	4,922	14,370	34.25	2,832	4,780	59.25
April	3,361	8,003	42.00	1,589	2,430	65.39	4,544	11,724	38.76	2,542	4,320	58.84
May	3,593	7,600	47.28	1,459	2,103	69.38	3,684	10,497	35.10	2,455	4,315	56.89
June	2,688	5,819	46.19	2,049	2,871	71.37	3,084	9,465	32.58	2,662	4,680	56.88

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 17.—*Customs duties (estimated), value of dutiable imports, and ratio of estimated duties to value of dutiable imports, by tariff schedules, for the calendar years 1928 to 1937 and by months from January 1937 to June 1938*—Continued

[Dollars in thousands]

Year and month	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	Schedule 9—Cotton manufactures			Schedule 10—Flax, hemp, jute, and manufactures			Schedule 11—Wool and manufactures			Schedule 12—Silk manufactures		
Calendar year:			*Percent*			*Percent*			*Percent*			*Percent*
1928	$15,681	$42,456	36.93	$25,088	$135,769	18.48	$57,172	$115,181	49.64	$27,810	$48,739	57.06
1929	15,627	42,855	36.46	24,600	129,409	19.01	61,815	121,636	50.82	27,349	47,156	58.00
1930	13,457	33,282	40.43	20,571	95,570	21.52	40,877	70,357	58.10	11,854	20,620	57.49
1931	13,595	28,653	47.45	15,927	57,780	27.56	24,483	32,339	75.71	7,950	14,531	54.71
1932	9,168	19,249	47.63	11,652	37,473	31.09	13,270	15,771	84.14	2,774	4,698	59.05
1933	10,845	22,660	47.86	12,959	47,129	27.50	20,539	22,660	90.64	2,969	5,362	55.37
1934	10,814	23,892	45.26	13,271	53,547	24.78	17,187	21,648	79.39	2,586	4,624	55.93
1935	10,852	27,136	39.99	15,083	62,430	24.16	23,510	28,857	81.47	3,557	6,039	58.91
1936	14,008	35,087	39.92	16,819	68,147	24.68	44,687	59,298	75.36	3,810	6,833	55.77
1937	17,155	44,052	38.94	19,029	77,656	24.50	51,617	82,560	62.52	4,756	8,736	54.44
Month:												
1937—January	1,278	3,264	39.15	1,476	5,646	26.15	7,033	11,178	62.91	[2] 334	612	[2] 54.58
February	1,580	3,997	39.53	1,844	7,516	24.53	7,119	11,653	61.10	368	671	54.81
March	1,739	4,557	38.16	[2] 2,154	8,602	[2] 25.04	6,928	11,468	60.42	427	779	54.85
April	1,741	4,645	37.48	1,946	7,897	24.64	5,557	9,153	60.72	487	901	54.00
May	1,422	3,815	37.27	1,500	6,176	24.29	4,615	7,786	59.27	359	665	53.99
June	1,376	3,693	37.26	1,698	7,372	23.03	[2] 3,379	[2] 5,475	61.72	366	661	55.33
July	1,586	4,007	39.58	1,509	6,517	23.15	3,483	5,131	67.88	403	736	54.76
August	1,555	3,820	40.71	1,480	6,099	24.27	3,912	5,939	65.87	460	852	53.99
September	1,410	3,398	41.49	1,621	6,858	23.64	3,252	4,850	67.05	352	643	54.74
October	1,399	3,526	39.68	1,395	5,162	27.02	2,648	4,112	64.40	502	920	54.57
November	1,089	2,834	38.43	1,200	4,974	24.13	2,043	3,240	63.06	379	695	54.53
December	980	2,496	39.26	1,206	4,837	24.93	1,647	2,576	63.94	320	601	53.24
1938—January	898	2,224	40.38	1,045	3,950	26.46	1,610	2,467	65.26	300	551	54.45
February	856	2,091	40.94	1,384	5,789	23.91	1,268	1,962	64.63	233	432	53.94
March	910	2,322	39.19	1,162	4,739	24.52	1,002	1,513	66.23	316	588	53.74
April	733	1,899	38.60	1,032	4,253	24.27	861	1,343	64.11	293	548	53.47
May	657	1,732	37.93	911	3,826	23.81	865	1,318	65.63	217	406	53.45
June	651	1,696	38.38	786	3,279	23.97	1,847	2,555	72.29	213	384	55.47

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

	Schedule 13—Manufactures of rayon or other synthetic textiles			Schedule 14—Pulp, paper, and books			Schedule 15—Sundries			Free-list commodities taxable under the Revenue Act of 1932 and subsequent acts[3], dutiable under section 466, Tariff Act of 1930, etc.		
Calendar year:			*Percent*			*Percent*			*Percent*			*Percent*
1928	(4)	(4)		$7,881	$25,910	30.42	$81,640	$215,316	37.92	$170	$341	50.00
1929	(4)	(4)		6,099	24,089	25.32	90,323	240,657	37.53	186	373	50.00
1930	$1,564	$2,453	63.73	5,024	19,428	25.86	65,070	174,340	37.32	86	173	49.96
1931	2,363	3,718	63.57	3,361	12,927	26.00	54,846	143,947	38.10	165	363	45.47
1932	1,247	2,049	60.84	2,183	8,187	26.66	33,092	80,757	40.98	5,098	14,823	34.39
1933	1,680	3,008	55.84	2,221	8,497	26.14	32,318	92,172	35.06	10,191	27,518	37.03
1934	794	1,096	72.41	2,346	9,482	24.74	31,647	85,185	37.15	9,987	33,862	29.49
1935	831	1,730	48.05	2,697	11,118	24.25	36,172	111,030	32.58	10,008	32,011	31.26
1936	2,197	5,209	42.17	3,029	13,201	22.95	41,545	136,546	30.43	10,396	[2] 37,049	28.06
1937	3,240	7,499	43.21	3,324	15,113	21.99	49,246	169,064	29.13	12,033	41,153	29.24
Month:												
1937—January	262	[2] 586	[2] 44.71	[2] 203	913	[2] 22.23	3,397	12,402	27.39	578	[2] 2,122	[2] 27.24
February	294	753	39.02	241	1,096	21.95	4,111	14,849	27.69	532	[2] 2,277	[2] 25.56
March	345	815	42.36	298	1,389	21.43	4,837	16,589	29.16	[2] 938	[2] 3,423	[2] 27.40
April	391	907	43.09	296	1,353	21.87	4,227	16,032	26.37	[2] 1,181	[2] 4,036	[2] 29.26
May	380	897	42.34	281	1,222	22.98	3,848	13,842	27.80	1,235	[2] 4,306	[2] 28.68
June	[2] 284	735	[2] 38.64	313	1,444	21.69	3,811	13,539	28.15	1,273	[2] 3,794	[2] 33.55
July	239	593	40.30	282	1,276	22.10	4,292	14,825	28.95	1,234	4,184	29.49
August	265	623	42.54	290	1,281	22.64	4,682	15,455	30.29	1,025	3,713	27.61
September	308	621	49.60	287	1,309	21.93	4,459	15,135	29.46	1,100	3,410	32.26
October	213	493	43.20	282	1,288	21.89	4,353	14,020	31.05	917	3,344	27.42
November	120	210	57.14	295	1,376	21.44	4,005	12,146	32.97	976	3,120	31.28
December	140	267	52.44	255	1,167	21.85	3,224	10,229	31.52	993	3,425	28.99
1938—January	158	249	63.45	200	999	20.02	3,062	9,523	32.15	843	2,779	30.33
February	148	272	54.41	231	1,089	21.21	2,723	8,192	33.24	782	2,509	31.17
March	206	391	52.69	236	1,070	22.06	2,953	8,892	33.21	903	3,232	27.94
April	179	479	37.37	202	987	20.47	2,460	7,845	31.36	729	2,425	30.06
May	139	358	38.83	207	955	21.02	2,197	7,304	30.08	706	2,387	29.58
June	134	341	39.30	206	950	21.68	2,290	7,383	31.02	836	2,785	30.02

[1] The amount of customs duties is calculated on the basis of reports of the Bureau of Foreign and Domestic Commerce showing the quantity and value of merchandise imported. Figures for 1934 and previous years were compiled by the Bureau of Foreign and Domestic Commerce; figures for 1935 and subsequent data were compiled under the direction of the Treasury Department. Total estimated duties and total value of dutiable imports will be found in table 16. For figures back to 1890, see annual reports for 1930, p. 525; 1932, p. 383; and corresponding tables in subsequent reports.

[2] Revised.

[3] Taxes collected on dutiable commodities under the revenue acts and the Sugar Act of 1937 are included in appropriate schedules.

[4] Included with silk manufactures.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 18.—*Customs statistics, by districts, fiscal year 1938*

District	Value of imports	Value of exports	Collections [1]					Payments		Expenses (net obligations)	Cost to collect $100
			Duties and miscellaneous customs collections	Department of Commerce	Department of Labor	All other departments, etc.	Total	Excessive duties refunded	Drawback		
Alaska	$195,270	$399,979	$8,747	$9,493	$104		$18,344	$74		$69,472	$378.72
Arizona	1,868,521	4,689,275	1,113,182		2,912	$186	1,116,280	3,232		99,548	8.92
Buffalo	61,282,217	08,987,727	5,693,135	3,727	28,058	150,765	5,875,685	66,658	$8,363	414,417	7.05
Chicago	45,387,846	32,257,677	13,507,683	2,902		3,349,799	16,860,384	107,749	154,372	335,381	1.99
Colorado	1,155,399		263,584			80,107	343,691	3,741	17	18,222	5.30
Connecticut	3,040,578	113,455	1,052,672	3,567	40	264,509	1,320,788	4,189	87,217	47,953	3.63
Dakota	15,449,145	37,269,015	921,761	14	10,160		931,935	63,835		153,533	16.47
Duluth and Superior	19,338,251	25,071,217	1,182,996	811	776	468	1,185,051	104,002	15	85,671	7.23
El Paso	2,751,097	10,220,615	1,305,206		6,378	5,864	1,318,448	1,370		99,314	7.53
Florida	19,573,334	41,201,400	3,378,318	67,032	36,967	272,427	3,754,744	17,028	22,419	241,447	6.43
Galveston	27,048,142	305,472,401	4,112,451	168,519	1,986	288,446	4,571,402	32,945	4,971	202,378	4.43
Georgia	11,871,585	25,696,928	1,969,627	16,090	3,138	6,782	1,995,637	10,584	294	62,976	3.16
Hawaii	8,714,682	1,787,841	2,230,554	49,325	16,192	113,567	2,409,638	31,179	803	180,575	7.49
Indiana	5,086,301		4,167,220	398		3,052,092	7,219,710	1,534	28	26,394	.37
Iowa	112,839		50,034			8,924	58,958	371		8,534	14.47
Kentucky	1,629,164		964,058	418		42,102	1,006,578	1,155	108,144	17,469	1.74
Los Angeles	60,536,555	146,091,112	8,064,641	264,055	22,182	1,406,481	9,757,359	136,544	65,872	436,032	4.47
Maine and New Hampshire	19,767,039	14,942,321	429,228	21,289	11,992	2,102	464,611	6,882		375,689	80.86
Maryland	84,890,225	117,380,442	15,964,563	74,484	6,056	2,559,712	18,604,815	116,638	405,177	475,558	2.56
Massachusetts	135,277,035	24,674,818	21,022,384	146,437	36,579	1,081,029	22,286,429	264,002	500,694	1,027,242	4.61
Michigan	69,577,766	180,208,407	4,241,992	7,333	36,948	1,127,548	5,413,821	21,352	308,824	557,398	10.30
Minnesota	5,559,170		2,209,935	45		489,275	2,699,255	23,824	174	61,818	2.29
Mobile	9,553,596	47,513,366	663,902	28,591	10,378	17,286	720,157	2,661	92	56,648	7.87
Montana and Idaho	2,034,055	5,790,734	392,896	2	5,792		398,690	8,431		87,887	22.04
New Orleans	126,622,386	217,323,838	12,697,897	124,268	14,619	227,814	13,064,598	39,132	121,947	539,184	4.13
New York	1,160,726,960	1,219,605,544	176,819,254	543,438	801,413	9,371,438	187,535,543	3,621,000	8,674,749	6,603,046	3.52
North Carolina	18,528,734	16,986,651	10,856,118	5,615	8	422	10,862,163	5,274	161,538	57,127	.53
Ohio	15,633,077	29,574,757	4,121,044	7,559	162	478,563	4,607,328	44,805	111,895	187,875	4.08
Omaha	851,034		255,776			65,274	321,050	12,905		13,962	4.35
Oregon	9,114,422	31,463,302	1,649,035	26,478	450	162,918	1,838,881	32,414	23,896	132,745	7.22
Philadelphia	138,063,226	94,103,854	21,524,561	77,478	4,118	1,168,643	22,774,800	216,549	1,046,156	781,818	3.43
Pittsburgh	5,451,625		2,675,308	436		282,662	2,958,406	21,554	551	47,563	1.61
Rhode Island	4,046,852	1,051,354	1,397,786	3,926	10	91,139	1,492,861	8,148	11,275	45,629	3.06
Rochester	6,426,451	8,813,562	1,585,705	2,673	120	361,341	1,949,839	41,758	627	71,950	3.69
Sabine	2,281,158	93,409,544	140,457	92,641	1,802	6,464	241,364	432		39,612	16.41
St. Lawrence	31,851,182	33,294,832	839,395	1,764	23,086	4,500	868,745	3,844	364	229,678	26.44
St. Louis	5,609,991		2,134,274	216		314,622	2,449,112	29,696	10,234	92,290	3.77
San Antonio	5,573,388	86,846,492	1,189,054	50,078	14,418	39,035	1,283,585	13,865		182,939	14.25
San Diego	3,323,475	6,698,058	220,483	13,623	4,981	5,349	244,436	1,701		104,448	42.73
San Francisco	71,245,039	135,069,270	10,136,533	93,472	38,778	1,430,846	11,699,629	143,890	480,805	714,356	6.11

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

South Carolina	7,416,810	15,716,261	842,394	10,360	2,078	47,609	902,441	3,528	2,160	22,830	2.53
Tennessee	334,243		118,978	785		13,063	132,826	610		19,993	15.05
Utah and Nevada	64,641		27,560			51	27,611	229		7,741	28.04
Vermont	22,699,237	33,660,582	1,204,328	34	12,800	15,162	1,232,324	8,556	1,709	285,753	23.19
Virginia	34,381,402	152,313,128	8,757,644	42,340	9,353	27,672	8,837,009	33,287	10,393	170,200	1.93
Washington	32,357,468	82,811,494	4,527,751	88,026	34,312	601,048	5,251,137	78,728	16,884	534,690	10.18
Wisconsin	8,611,064	2,550,911	932,706	1,734		198,596	1,133,036	9,858	3,832	56,233	4.96
Items not assigned to particular districts		17,165,163	5,634				5,634			4,527,350	
Total	2,322,913,677	3,398,317,327	359,562,444	2,051,476	1,199,146	29,233,702	392,046,768	5,401,753	12,346,491	20,610,568	5.26
Puerto Rico	8,327,256	2,269,065	1,889,422	17,944	15,001	4,541	1,926,908				
Grand total	2,331,240,933	3,400,586,392	361,451,866	2,069,420	1,214,147	29,238,243	393,973,676	5,401,753	12,346,491	20,610,568	

District	Number of employees	Number of entries of merchandise				Vessels entering			
		Consumption, free and dutiable	Baggage	All other	Total	From foreign ports		From other than foreign ports	Total
						Direct	Via other domestic ports		
Alaska	19	215	83	1,714	2,012	856	399	1,363	2,618
Arizona	45	1,873	11,777	9,278	22,928				
Buffalo	157	23,831	26,677	75,744	120,252	595	26	129	750
Chicago	168	16,202	99	74,497	90,798	346	216	34	596
Colorado	7	600	52	3,707	4,359				
Connecticut	19	1,445	130	4,947	6,522	36	16	69	121
Dakota	62	6,658	9,843	18,222	34,723				
Duluth and Superior	34	4,317	7,391	5,052	16,760	392	66	69	527
El Paso	42	2,987	1,757	18,636	23,380				
Florida	93	4,649	64,023	21,018	89,690	2,285	941	578	3,804
Galveston	82	3,806	603	8,791	13,200	1,039	1,160	562	2,761
Georgia	27	1,112	40	2,291	3,443	126	266	302	694
Hawaii	87	5,520	8,430	10,805	24,755	155	175	298	628
Indiana	11	807	14	5,749	6,570				
Iowa	3	190	15	68	273				
Kentucky	6	437	18	3,190	3,645				
Los Angeles	183	17,452	10,765	44,213	72,430	1,702	905	1,149	3,756
Maine and New Hampshire	139	9,018	7,070	37,612	53,700	2,402	53	186	2,641
Maryland	228	10,868	3,141	62,732	76,741	698	997	1,694	3,389
Massachusetts	465	24,953	15,608	68,332	108,893	1,371	503	1,089	2,963
Michigan	238	22,934	25,098	105,470	153,502	1,556	202	111	1,869
Minnesota	26	2,380	348	26,145	28,873				
Mobile	23	792	463	2,248	3,503	325	505	240	1,070

Footnote at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 18.—*Customs statistics, by districts, fiscal year 1938*—Continued

District	Number of employees	Number of entries of merchandise				Vessels entering			
		Consumption, free and dutiable	Baggage	All other	Total	From foreign ports		From other than foreign ports	Total
						Direct	Via other domestic ports		
Montana and Idaho	29	2,057	2,400	5,493	9,950				
New Orleans	250	9,961	8,747	25,901	44,609	1,485	591	391	2,467
New York	3,156	243,820	392,776	850,600	1,487,196	3,632	2,308	3,241	9,181
North Carolina	20	207	13	15,673	15,893	45	62	52	159
Ohio	74	5,840	356	32,594	38,790	2,049	323	96	2,468
Omaha	5	374		1,317	1,691				
Oregon	58	2,688	592	6,488	9,768	145	625	1,336	2,106
Philadelphia	376	17,425	1,863	56,787	76,075	734	1,454	1,115	3,303
Pittsburgh	19	1,341	28	5,045	6,414				
Rhode Island	18	1,112	65	1,423	2,600	47	31	340	418
Rochester	28	3,368	246	8,508	12,122	1,184	24	9	1,217
Sabine	17	155	69	1,716	1,940	480	488	100	1,068
St. Lawrence	86	9,624	16,887	23,093	49,604	1,393	1	1	1,395
St. Louis	37	3,733	144	17,603	21,480				
San Antonio	78	3,295	10,541	27,293	41,129	219	101	60	380
San Diego	45	2,361	16,830	10,104	29,295	1,085	20	124	1,229
San Francisco	343	20,437	16,465	86,755	123,657	389	1,030	1,210	2,629
South Carolina	9	610	185	570	1,365	171	158	185	514
Tennessee	7	250	17	556	823				
Utah and Nevada	3	101	43	2,164	2,308				
Vermont	104	8,332	14,764	32,843	55,939	84			84
Virginia	74	3,472	20,989	15,244	39,705	348	1,049	1,781	3,178
Washington	229	13,317	23,106	37,343	73,766	4,273	1,100	2,210	7,583
Wisconsin	23	2,336	15	11,754	14,105	315	193	23	531
Items not assigned to particular districts	963								
Total	8,215	519,262	714,586	1,887,328	3,121,176	31,962	15,988	20,147	68,097
Puerto Rico	86	5,314	7,337	11,367	24,018	461	504	1,317	2,282
Grand total	8,301	524,576	721,923	1,898,695	3,145,194	32,423	16,492	21,464	70,379

[1] Customs receipts, on the basis of reports of collecting officers, are credited to the districts in which the collections are made. Receipts in the various districts do not indicate the tax burden of the respective districts, since the taxes may be eventually borne by persons in other districts. Customs duties for Puerto Rico ($1,878,212 in 1938) are deposited to the credit of the Government of Puerto Rico.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 18.—*Customs statistics, by districts, fiscal year 1938*—Continued

SUMMARY OF COLLECTIONS AND EXPENDITURES

Collections: [1]		
Customs receipts:		
Duties on imports		$356,888,769.84
Miscellaneous receipts (fines, penalties, etc.)		2,684,884.02
Total		359,573,653.86
Collections for other departments, bureaus, etc.:		
Department of Commerce	$2,069,420.22	
Department of Labor	1,214,146.55	
Public Health Service	280,859.44	
Internal revenue taxes	28,858,137.83	
Philippine tariff funds	99,246.40	
		32,521,810.44
Total collections		392,095,464.30
Expenditures:		
Appropriation "Collecting the revenue from customs"		20,636,060.00
Expenses of operating collection districts	16,083,218.00	
Items paid by the Treasury but not assigned to particular districts	190,505.00	
All other, including customs border patrol, Customs Agency Service, comptrollers of customs, customs laboratories, and Bureau salaries	4,281,893.00	
Estimated obligations not yet submitted to the Bureau	54,952.00	
		20,610,568.00
Estimated balance of appropriation		25,492.00
Appropriation "Refunds and drawbacks"		18,000,000.00
Expenditures for refunds, drawbacks, and minor payments of a similar nature		17,828,811.00
Balance of appropriation		171,189.00

[1] Excludes duties for Puerto Rico but includes other Puerto Rican collections. See note 1, p. 444.

104825—39——30

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 19.—*Receipts and expenditures and statement of accounts under the Social Security Act and Railroad Retirement Act*

[On basis of daily Treasury statements (unrevised), see p. 351]

I. CLASSIFIED RECEIPTS AND EXPENDITURES, MONTHLY JULY 1937 TO JUNE 1938, AND ANNUALLY FOR THE FISCAL YEARS 1936 TO 1938

	Fiscal year 1936	Fiscal year 1937	Fiscal year 1938					
			July	August	September	October	November	December
INTERNAL REVENUE RECEIPTS								
Social Security Act:								
Employment taxes (title VIII)	----------	$194,346,309.18	$50,092,334.42	$52,085,635.90	$49,728,576.19	$49,508,413.77	$28,364,578.90	$68,687,759.96
Tax on employers of 8 or more (title IX, sec. 901)	----------	57,751,019.29	3,052,487.11	8,429,267.86	451,629.64	2,588,720.17	7,979,251.84	390,889.54
Unclassified	----------	63,511.09	[1] *63,082.73*	[1] *61,296.88*	66,885.87	[1] *5,932.99*	2,816.34	----------
Total Social Security Act	----------	252,160,839.56	53,081,738.80	60,453,606.88	50,247,091.70	52,091,200.95	[2] 36,346,647.08	[2] 69,078,649.50
Railroad Retirement Act:								
Taxes upon carriers and their employees	$209.65	345,088.10	32,139.15	20,267.85	38,673.53	19,040.17	[2] 23,465,353.79	[2] 68,913,769.24
Total receipts	209.65	252,505,927.66	53,113,877.95	60,473,874.73	50,285,765.23	52,110,241.12	59,812,000.87	137,992,418.74
EXPENDITURES								
Administrative expenses:[3]								
Social Security Act:								
Social Security Board (title VII)	501,288.08	15,433,916.68	1,332,063.82	1,319,259.48	1,360,041.31	1,659,184.50	1,545,043.69	1,564,090.17
Department of Commerce (title VII)	46,350.00	101,844.48	----------	----------	----------	----------	----------	701.05
Department of Labor (title V (5))	76,936.38	295,198.61	32,344.55	30,407.45	35,745.55	34,792.32	24,067.33	24,257.43
Total Social Security Act	624,574.46	15,830,959.77	1,364,408.37	1,349,666.93	1,395,786.86	1,693,976.82	1,569,111.02	1,589,048.65
Railroad Retirement Act:								
Railroad Retirement Board	270,435.28	1,491,898.84	141,365.60	156,588.51	190,625.04	224,335.99	275,519.11	268,109.16
Total administrative expenses [3]	895,009.74	17,322,858.61	1,505,773.97	1,506,255.44	1,586,411.90	1,918,312.81	1,844,630.13	1,857,157.81
Grants to States:								
Social Security Act:								
Social Security Board:								
Old-age assistance (title I)	19,652,118.53	124,817,575.34	20,369,729.59	10,750,544.80	5,807,901.72	26,576,347.92	18,730,392.47	9,913,290.21
Aid to dependent children (title IV)	2,000,643.82	14,297,277.96	3,153,693.10	1,644,591.82	631,206.15	4,028,322.45	2,497,104.54	445,141.26
Aid to the blind (title X)	1,046,685.37	4,641,947.33	510,515.89	252,441.89	157,857.35	736,160.25	732,320.61	351,875.65
Unemployment compensation administration (title III)	937,567.54	9,133,785.16	1,920,540.02	1,790,217.52	1,507,395.85	4,109,819.23	6,017,918.95	1,010,810.74
Total Social Security Board	23,637,015.26	152,890,585.79	25,954,478.60	14,437,796.03	8,104,361.07	35,450,649.85	27,977,736.57	11,721,117.86

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Department of Labor:								
Maternal and child health services (title V (1))	1,044,604.69	3,114,583.93	217,857.45	522,919.83	133,026.50	334,384.41	609,763.31	24,130.76
Services for crippled children (title V (2))	555,520.46	2,120,921.53	82,380.88	337,937.45	145,974.58	83,018.07	588,066.53	52,874.44
Child welfare services (title V (3))	200,088.79	980,490.68	54,839.13	143,980.98	83,431.40	117,914.08	140,530.08	73,912.83
Total Department of Labor	1,800,213.94	6,215,996.14	355,077.46	1,004,838.26	362,432.48	535,316.56	1,338,359.92	150,918.03
Treasury Department:								
Public health work (title VI, sec. 601)	2,385,670.54	7,819,415.33	1,811,570.10	305,239.54	71,422.75	1,902,317.16	305,276.74	
Total grants to States	27,822,899.74	166,925,997.26	28,121,126.16	15,747,873.83	8,538,216.30	37,888,283.57	29,621,373.23	11,872,035.89
Unclassified	[4] *2,181.70*	3,624.52			[4] *184.65*	191.69	[4] *57.03*	49.99
Total expenditures	28,715,727.78	184,252,480.39	29,626,900.13	17,254,129.27	10,124,443.55	39,806,788.07	31,465,946.33	13,729,243.69
Transfers to old-age reserve and railroad retirement accounts:								
Old-age reserve account (title II)		265,000,000.00	42,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	41,000,000.00	43,000,000.00
Railroad retirement account			10,000,000.00	20,000,000.00	14,000,000.00	14,000,000.00	14,000,000.00	20,000,000.00
Total transfers to old-age reserve and railroad retirement accounts		265,000,000.00	52,000,000.00	61,000,000.00	55,000,000.00	55,000,000.00	55,000,000.00	63,000,000.00
Total expenditures	28,715,727.78	449,252,480.39	81,626,900.13	78,254,129.27	65,124,443.55	94,806,788.07	86,465,946.33	76,729,243.69

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 19.—*Receipts and expenditures and statement of accounts under the Social Security Act and Railroad Retirement Act*—Continued

I. CLASSIFIED RECEIPTS AND EXPENDITURES, MONTHLY JULY 1937 TO JUNE 1938, AND ANNUALLY FOR THE FISCAL YEARS 1936 TO 1938—Con.

	Fiscal year 1938							Grand total to June 30, 1938
	January	February	March	April	May	June	Total July 1, 1937, to June 30, 1938	
INTERNAL REVENUE RECEIPTS								
Social Security Act:								
Employment taxes (title VIII)	$46,466,596.26	$36,532,098.37	$1,635,229.02	$29,991,305.00	$97,000,390.70	$4,312,752.89	$514,405,671.38	$708,751,980.56
Tax on employers of 8 or more (title IX, sec. 901)	10,122,495.56	43,516,039.18	1,808,975.89	3,357,580.48	7,821,892.91	584,354.73	90,103,584.91	147,854,604.20
Unclassified							[1] *60,610.39*	2,900.70
Total Social Security Act	[2] 56,589,091.82	80,048,137.55	3,444,204.91	33,348,885.48	104,822,283.61	4,897,107.62	604,448,645.90	856,609,485.46
Railroad Retirement Act:								
Taxes upon carriers and their employees	[2] 658,843.42	30,071,933.26	[1] *10,484.75*	584,114.67	26,331,470.68	6,860.37	150,131,981.38	150,477,279.13
Total receipts	57,247,935.24	110,120,070.81	3,433,720.16	33,933,000.15	131,153,754.29	4,903,967.99	754,580,627.28	1,007,086,764.59
EXPENDITURES								
Administrative expenses: [3]								
Social Security Act:								
Social Security Board (title VII)	1,648,088.21	1,918,895.87	1,837,992.79	1,794,915.96	1,856,630.26	1,777,378.32	19,613,584.38	35,548,789.14
Department of Commerce (title VII)	1,923.24	4,028.24	925.02	244.90	237.00	454.25	8,513.70	156,708.18
Department of Labor (title V (5))	27,001.97	24,181.78	27,095.09	23,082.71	24,092.25	29,310.75	336,379.18	708,514.17
Total Social Security Act	1,677,013.42	1,947,105.89	1,866,012.90	1,818,243.57	1,880,959.51	1,807,143.32	19,958,477.26	36,414,011.49
Railroad Retirement Act:								
Railroad Retirement Board	269,643.97	231,196.58	214,838.39	200,531.22	214,304.54	226,238.62	2,613,296.73	4,375,630.85
Total administrative expenses [3]	1,946,657.39	2,178,302.47	2,080,851.29	2,018,774.79	2,095,264.05	2,033,381.94	22,571,773.99	40,789,642.34
Grants to States:								
Social Security Act:								
Social Security Board:								
Old-age assistance (title I)	25,574,002.52	11,625,502.82	5,338,264.19	23,315,528.78	9,960,038.70	14,237,190.63	182,198,734.35	326,668,428.22
Aid to dependent children (title IV)	3,627,854.77	1,434,225.72	711,995.91	2,419,188.90	4,686,793.30	218,164.09	25,498,282.01	41,796,203.79
Aid to the blind (title X)	967,055.41	277,338.69	152,238.30	535,858.11	444,866.64	42,720.27	5,161,249.06	10,849,881.76
Unemployment compensation administration (title III)	10,093,279.39	2,343,957.13	1,138,210.25	3,265,994.91	1,166,333.86	7,546,441.64	41,910,919.49	51,982,272.19
Total Social Security Board	40,262,192.09	15,681,024.36	7,340,708.65	29,536,570.70	16,258,032.50	22,044,516.63	254,769,184.91	431,296,785.96

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Department of Labor:								
Maternal and child health services (title V (1))	700,022.85	81,156.43	3,804.88	460,534.71	652,482.75	35,461.69	3,775,545.57	7,934,734.19
Services for crippled children (title V (2))	458,727.95	97,163.32	16,988.68	313,698.95	515,109.97		2,691,940.82	5,368,382.81
Child welfare services (title V (3))	351,159.50	43,463.02	8,085.91	257,188.98	87,810.65	3,433.00	1,365,749.56	2,546,329.03
Total Department of Labor	1,509,910.30	221,782.77	28,879.47	1,031,422.64	1,255,403.37	38,894.69	7,833,235.95	15,849,446.03
Treasury Department:								
Public health work (title VI, sec. 601)	1,824,259.74	355,447.83		56,625.50	2,259,920.52		8,892,079.88	19,097,165.75
Total grants to States	43,596,362.13	16,258,254.96	7,369,588.12	30,624,618.84	19,773,356.39	22,083,411.32	271,494,500.74	466,243,397.74
Unclassified					545.18	[1] *534.57*	10.61	1,453.43
Total expenditures	45,543,019.52	18,436,557.43	9,450,439.41	32,643,393.63	21,869,165.62	24,116,258.69	294,066,285.34	507,034,493.51
Transfers to old-age reserve and railroad retirement accounts:								
Old-age reserve account (title II)	41,000,000.00	41,000,000.00	43,000,000.00	10,800,000.00	2,200,000.00		387,000,000.00	652,000,000.00
Railroad retirement account	15,000,000.00	15,000,000.00	15,000,000.00	8,602,587.18		800,000.00	146,402,587.18	146,402,587.18
Total transfers to old-age reserve and railroad retirement accounts	56,000,000.00	56,000,000.00	58,000,000.00	19,402,587.18	2,200,000.00	800,000.00	533,402,587.18	798,402,587.18
Total expenditures	101,543,019.52	74,436,557.43	67,450,439.41	52,045,980.81	24,069,165.62	24,916,258.69	827,468,872.52	1,305,437,080.69

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 19.—*Receipts and expenditures and statement of accounts under the Social Security Act and Railroad Retirement Act*—Continued

II. STATEMENT OF ACCOUNT AS OF JUNE 30, 1936 AND 1937, AND AT THE END OF EACH MONTH DURING THE FISCAL YEAR 1938

[All figures are cumulative as of the dates indicated]

	June 30, 1936	June 30, 1937	July 31, 1937	Aug. 31, 1937	Sept. 30, 1937	Oct. 31, 1937	Nov. 30, 1937
OLD-AGE RESERVE ACCOUNT							
Appropriations by Congress		$265,000,000.00	$765,000,000.00	$765,000,000.00	$765,000,000.00	$765,000,000.00	$765,000,000.00
Interest on investments		2,261,810.97	2,261,810.97	2,261,810.97	2,261,810.97	2,261,810.97	2,261,810.97
		267,261,810.97	767,261,810.97	767,261,810.97	767,261,810.97	767,261,810.97	767,261,810.97
Less:							
Benefit payments		26,969.35	73,326.40	181,407.24	280,879.47	450,228.09	714,200.78
Balance to be accounted for		267,234,841.62	767,188,484.57	767,080,403.73	766,980,931.50	766,811,582.88	766,547,610.19
Assets:							
Investments (3% special Treasury notes)		267,100,000.00	308,100,000.00	349,100,000.00	390,100,000.00	431,100,000.00	472,100,000.00
Unexpended balances:							
To credit of appropriation		61,810.97	458,000,000.00	417,000,000.00	376,000,000.00	335,000,000.00	294,000,000.00
To credit of disbursing officer		73,030.65	1,088,484.57	980,403.73	880,931.50	711,582.88	447,610.19
Total assets		267,234,841.62	767,188,484.57	767,080,403.73	766,980,931.50	766,811,582.88	766,547,610.19
RAILROAD RETIREMENT ACCOUNT							
Appropriations by Congress	$46,620,000.00	46,620,000.00	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00
Interest on investments							
	46,620,000.00	46,620,000.00	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00
Less:							
Benefit payments		3,985,323.28	7,604,304.41	11,954,852.62	16,428,826.17	21,182,525.26	26,870,730.90
Balance to be accounted for	46,620,000.00	42,634,676.72	138,895,695.59	134,545,147.38	130,071,173.83	125,317,474.74	119,629,269.10
Assets:							
Investments (3% special Treasury notes)				10,000,000.00	20,000,000.00	30,000,000.00	40,000,000.00
Unexpended balances:							
To credit of appropriation	46,610,000.00	36,621,653.62	131,894,186.69	111,894,253.66	97,894,438.31	83,898,286.14	69,898,286.14
To credit of disbursing officer	10,000.00	6,013,023.10	7,001,508.90	12,650,893.72	12,176,735.52	11,419,188.60	9,730,982.96
Total assets	46,620,000.00	42,634,676.72	138,895,695.59	134,545,147.38	130,071,173.83	125,317,474.74	119,629,269.10

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

UNEMPLOYMENT TRUST FUND							
Deposits by States	18,857,720.50	310,560,409.78	340,085,619.62	417,405,055.18	465,820,250.98	500,173,502.20	585,482,252.29
Interest on investments	91,700.94	2,828,882.86	2,828,882.86	2,828,882.86	2,828,882.86	2,828,882.86	2,828,882.86
	18,949,421.44	313,389,292.64	342,914,502.48	420,233,938.04	468,649,133.84	503,002,385.06	588,311,135.15
Less:							
Withdrawals by States		1,000,000.00	1,200,000.00	1,200,000.00	1,400,000.00	1,750,000.00	2,250,000.00
Balance to be accounted for	18,949,421.44	312,389,292.64	341,714,502.48	419,033,938.04	467,249,133.84	501,252,385.06	586,061,135.15
Assets:							
Investments (2½% certificates of indebtedness)	18,909,000.00	312,295,000.00	341,361,000.00	409,979,000.00	457,934,000.00	495,653,000.00	573,831,000.00
Unexpended balance in disbursing account	40,421.44	94,292.64	353,502.48	9,054,938.04	9,315,133.84	5,599,385.06	12,230,135.15
Total assets	18,949,421.44	312,389,292.64	341,714,502.48	419,033,938.04	467,249,133.84	501,252,385.06	586,061,135.15

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 19.—*Receipts and expenditures and statement of accounts under the Social Security Act and Railroad Retirement Act*—Continued

II. STATEMENT OF ACCOUNT AS OF JUNE 30, 1936 AND 1937, AND AT THE END OF EACH MONTH DURING THE FISCAL YEAR 1938—Continued

	Dec. 31, 1937	Jan. 31, 1938	Feb. 28, 1938	Mar. 31, 1938	Apr. 30, 1938	May 31, 1938	June 30, 1938
OLD-AGE RESERVE ACCOUNT							
Appropriations by Congress	$765,000,000.00	$765,000,000.00	$765,000,000.00	$765,000,000.00	$765,000,000.00	$765,000,000.00	$765,000,000.00
Interest on investments	2,261,810.97	2,261,810.97	2,261,810.97	2,261,810.97	2,261,810.97	2,261,810.97	17,674,043.86
	767,261,810.97	767,261,810.97	767,261,810.97	767,261,810.97	767,261,810.97	767,261,810.97	782,674,043.86
Less:							
Benefit payments	1,016,475.65	1,597,480.64	2,199,696.28	2,935,829.23	3,776,851.70	[6] 4,600,148.75	5,431,032.22
Balance to be accounted for	766,245,335.32	765,664,330.33	765,062,114.69	764,325,981.74	763,484,959.27	762,661,662.22	777,243,011.64
Assets:							
Investments (3% special Treasury notes)	513,100,000.00	554,100,000.00	595,100,000.00	636,100,000.00	646,900,000.00	646,900,000.00	662,300,000.00
Unexpended balances:							
To credit of appropriation	251,000,000.00	210,000,000.00	169,000,000.00	126,000,000.00	115,200,023.35	113,000,101.99	113,012,391.44
To credit of disbursing officer	2,145,335.32	1,564,330.33	962,114.69	2,225,981.74	1,384,935.92	2,761,560.23	1,930,620.20
Total assets	766,245,335.32	765,664,330.33	765,062,114.69	764,325,981.74	763,484,959.27	762,661,662.22	777,243,011.64
RAILROAD RETIREMENT ACCOUNT							
Appropriations by Congress	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00
Interest on investments					45,205.48	162,328.77	1,410,821.92
	146,500,000.00	146,500,000.00	146,500,000.00	146,500,000.00	146,545,205.48	146,662,328.77	147,910,821.92
Less:							
Benefit payments	35,102,539.57	42,143,516.57	48,485,654.52	55,591,402.77	63,889,339.96	71,770,386.18	79,849,056.18
Balance to be accounted for	111,397,460.43	104,356,483.43	98,014,345.48	90,908,597.23	82,655,865.52	74,891,942.59	68,061,765.74
Assets:							
Investments (3% special Treasury notes)	50,000,000.00	60,000,000.00	70,000,000.00	80,000,000.00	70,000,000.00	65,000,000.00	66,200,000.00
Unexpended balances:							
To credit of appropriation	49,898,286.14	34,898,286.14	19,905,191.61	4,912,979.72	961,537.70	1,080,692.59	234,164.14
To credit of disbursing officer	11,499,174.29	9,458,197.29	8,109,153.87	5,995,617.51	11,694,327.82	8,811,250.00	1,627,601.60
Total assets	111,397,460.43	104,356,483.43	98,014,345.48	90,908,597.23	82,655,865.52	74,891,942.59	68,061,765.74

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

UNEMPLOYMENT TRUST FUND							
Deposits by States	631,159,841.39	681,032,393.19	776,162,127.81	819,319,588.47	856,788,903.12	985,246,457.30	1,058,220,906.55
Interest on investments	8,674,697.58	8,695,830.18	8,695,830.18	8,731,258.36	8,736,645.10	8,736,645.10	18,000,904.97
	639,834,538.97	689,728,223.37	784,857,957.99	828,050,846.83	865,525,548.22	993,983,102.40	1,076,221,811.52
Less:							
Withdrawals by States	2,250,000.00	36,275,000.00	42,060,000.00	77,990,000.00	118,840,000.00	153,250,000.00	191,975,000.00
Balance to be accounted for	637,584,538.97	653,453,223.37	742,797,957.99	750,060,846.83	746,685,548.22	840,733,102.40	884,246,811.52
Assets:							
Investments (2½% certificates of indebtedness)	624,711,000.00	648,765,000.00	734,165,000.00	743,665,000.00	740,665,000.00	825,665,000.00	872,000,000.00
Unexpended balance in disbursing account	12,873,538.97	4,688,223.37	8,632,957.99	6,395,846.83	6,020,548.22	15,068,102.40	12,246,811.52
Total assets	637,584,538.97	653,453,223.37	742,797,957.99	750,060,846.83	746,685,548.22	840,733,102.40	884,246,811.52

[1] Counter entry, deduct.

[2] Revised to adjust the classification of receipts deposited during the months of November and December amounting to $19,349,371.27 and $4,823,614.07, respectively, classified at that time as taxes under the Social Security Act, which upon later information received from collectors of internal revenue were found to be taxes upon carriers and their employees and adjustments of which were made in the month of January 1938. The reduced amount of taxes shown for the month of November and the increased amount shown for the month of December are attributed to the fact that heavy collections were made during the latter part of November which were not deposited in the Treasury until December.

[3] Includes only expenditures from appropriations made specifically for administrative expenses relating to the Social Security and Railroad Retirement Acts. Does not include administrative expenses payable from other appropriations. The principal agencies in the latter group are the Bureau of Internal Revenue and the Public Health Service of the Treasury Department, and the Office of Education of the Department of the Interior.

[4] Excess of credits, deduct.

[5] Adjusted to include $545.18 repayment on May 31, 1938, which was inadvertently credited to "Trust accounts, increment on gold, etc.—Expenditures—Old-age reserve account (Benefit payments)," instead of "General and special accounts—Expenditures—General—Social Security Act."

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 20.—*Amounts appropriated and expended to June 30, 1938, under authorizations contained in the Social Security Act*

Appropriation	Appropriated during the fiscal year 1938 [1]	Appropriated to June 30, 1938	Expenditures during the fiscal year 1938 [2]	Total expenditures to June 30, 1938 [2]
For administrative expenses:				
Under Social Security Board [3]	$22,300,000	$64,600,000	[4] $19,613,595	[4] $35,548,800
Under Department of Commerce	80,000	255,000	8,514	156,708
Under Department of Labor	320,000	1,075,000	336,379	708,514
Total administrative expenses	22,700,000	65,930,000	19,958,488	36,414,022
For grants to States:				
Under Social Security Board:				
For old-age assistance	214,000,000	473,660,000	182,198,734	326,668,428
For unemployment compensation administration	43,500,000	93,750,000	41,910,920	51,982,272
For aid to dependent children	45,000,000	139,600,000	25,498,282	41,796,204
For aid to the blind	8,000,000	28,000,000	5,161,249	10,849,882
	310,500,000	735,010,000	254,769,185	431,296,786
Under Department of Labor:				
For maternal and child health services	4,604,000	12,704,000	3,775,546	7,934,734
For services for crippled children	3,549,000	9,686,000	2,691,941	5,368,383
For child welfare services	1,701,000	5,001,000	1,365,749	2,546,329
	9,854,000	27,391,000	7,833,236	15,849,446
Under Treasury Department:				
For public health work	8,000,000	27,333,000	8,892,080	19,097,166
Under Interior Department:				
For vocational rehabilitation of persons disabled in industry [5]				
Total grants to States	328,354,000	789,734,000	271,494,501	466,243,398
For other purposes:				
Under Treasury Department:				
For disease and sanitation investigations by Public Health Service [5]				
For old-age reserve account	360,000,000	1,125,000,000	[6] 387,000,000	[6] 652,000,000
Total for other purposes	360,000,000	1,125,000,000	387,000,000	652,000,000
Grand total	711,054,000	1,980,664,000	678,452,989	1,154,657,420

[1] These amounts primarily available for expenditure during fiscal year 1939.
[2] On the basis of the daily Treasury statements. Administrative expenses, Social Security Board, includes nominal expenditures from the "Foreign service pay adjustment" appropriations.
[3] Includes only expenditures from appropriations made specifically for administrative expenses relating to the Social Security Act. Does not include administrative expenses payable from other appropriations. The principal agencies in the latter group are the Bureau of Internal Revenue and the Public Health Service of the Treasury Department, and the Office of Education of the Department of the Interior.
[4] Includes unclassified amount of $11.
[5] Funds authorized to be appropriated under the Social Security Act augment existing appropriations.
[6] Represents amounts transferred from the General Fund to the reserve account. See p. 99 for statement of the old-age reserve account.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 21.—*Panama Canal receipts and expenditures for the fiscal years 1903 to 1938*

[On basis of warrants issued, see p. 351]

Year	Receipts covered into the Treasury [1]	Expenditures			
		Construction, maintenance, and operation [2]	Fortifications	Total general expenditures	Interest paid on Panama Canal loans
1903		$9,985.00		$9,985.00	
1904		[3] 50,164,500.00		[3] 50,164,500.00	
1905	$371,253.06	3,918,819.83		3,918,819.83	
1906	380,680.10	19,379,373.71		19,379,373.71	
1907	1,178,949.85	27,198,618.71		27,198,618.71	
1908	1,083,761.49	38,093,929.04		38,093,929.04	$785,268.00
1909	705,402.42	31,419,442.41		31,419,442.41	1,319,076.58
1910	3,214,389.48	33,911,673.37		33,911,673.37	1,692,166.40
1911	1,757,284.44	37,038,994.71	$30,608.75	37,069,603.46	1,691,107.20
1912	2,982,823.92	34,285,276.50	1,036,091.08	35,321,367.58	3,000,669.60
1913	4,070,231.27	40,167,866.71	1,823,491.32	41,991,358.03	3,201,055.81
1914	698,647.87	31,702,359.61	3,376,900.85	35,079,260.46	3,194,105.95
1915	4,130,241.27	24,677,107.29	4,767,605.38	29,444,712.67	3,199,385.05
1916	2,869,995.28	14,888,194.78	2,868,341.97	17,756,536.75	3,189,024.79
1917	6,150,668.59	16,199,262.47	3,313,532.55	19,512,795.02	3,103,250.67
1918	6,414,570.25	13,549,762.56	7,487,862.36	21,037,624.92	2,976,476.55
1919	6,777,046.55	10,954,409.74	1,561,364.74	12,515,774.48	2,984,888.33
1920	9,039,670.95	6,281,463.72	3,433,592.82	9,715,056.54	3,040,872.89
1921	11,914,361.32	16,480,390.79	2,088,007.66	18,568,398.45	2,994,776.66
1922	12,049,660.65	3,041,035.40	896,327.45	3,937,362.85	2,995,398.14
1923	17,869,985.25	3,870,503.37	950,189.20	4,820,692.57	2,997,904.81
1924	27,124,513.33	7,391,711.97	393,963.37	7,785,675.34	2,992,461.19
1925	22,903,732.44	9,300,509.73	872,689.93	10,173,199.66	2,988,918.80
1926	24,291,917.87	8,669,333.57	1,153,322.38	9,822,655.95	2,989,598.76
1927	25,894,701.45	7,863,376.03	586,043.94	8,449,419.97	2,991,988.25
1928	28,834,345.42	10,909,442.27	1,165,632.53	12,075,074.80	2,987,329.95
1929	28,831,447.24	10,220,913.25	943,985.31	11,164,898.56	3,002,235.80
1930	28,971,643.03	10,497,935.33	999,413.77	11,497,349.10	2,991,375.23
1931	26,534,587.74	10,303,755.15	916,979.29	11,220,734.44	2,992,366.42
1932	22,448,911.57	10,904,319.70	779,868.12	11,684,187.82	2,989,627.15
1933	23,183,754.40	11,780,139.21	614,916.00	12,395,055.21	2,969,049.75
1934	27,167,390.62	10,709,294.89	396,310.58	11,105,605.47	2,992,453.55
1935	24,816,531.93	10,233,789.97	294,413.20	10,528,203.17	2,986,151.55
1936	25,996,386.11	11,258,334.90	478,946.22	11,737,281.12	1,863,500.40
1937	25,401,264.01	11,879,521.47	791,939.98	12,421,461.45	1,516,514.50
1938	24,942,253.42	11,416,004.37	1,311,830.33	12,727,834.70	1,502,876.10
Total	481,003,004.59	610,571,351.53	[4] 45,334,171.08	[4] 655,905,522.61	83,121,874.83

[1] Beginning with the fiscal year 1924, the amounts shown in this column have been revised to include the sums received as dividends on capital stock of the Panama Railroad owned by the United States.

[2] The amounts shown in this column have been revised to include the payments to the Government of Panama under the treaty of Nov. 18, 1903, of $250,000 per annum, the first payment being made during the fiscal year 1913, and similar payments continuing each year since that date; but do not include the payments to the Government of Colombia growing out of the construction of the Panama Canal of $5,000,000 per annum during the fiscal years 1923 to 1927, inclusive, an aggregate sum of $25,000,000, as provided for under the treaty of Apr. 6, 1914. Includes expenses of civil government, Panama Canal and Canal Zone.

[3] This amount includes the $40,000,000 paid to the New Panama Canal Co. of France for the acquisition of the property, and the $10,000,000 paid to the Republic of Panama in connection with the Canal Zone as provided for under art. 14 of the treaty of Nov. 18, 1903.

[4] Includes expenditures made from specific appropriations for fortifications of the canal but no expenditures from general appropriations that may have been made for this purpose.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Miscellaneous

TABLE 22.—*Actual receipts for the fiscal year 1938, and estimated receipts for the fiscal years 1939 and 1940, by sources*

Source	Actual 1938 [1]	Estimated 1939	Estimated 1940 [2]
GENERAL AND SPECIAL ACCOUNTS			
Revenue receipts:			
Internal revenue:			
Income taxes:			
Corporation, current [3]	$1,145,576,396.61	$897,100,000	$776,000,000
Individual, current	1,189,034,339.76	922,000,000	857,900,000
Back taxes	251,619,229.50	240,000,000	250,000,000
Excess-profits tax	36,569,041.83	26,900,000	19,100,000
Total income taxes (collection basis)	2,622,799,007.70	2,086,000,000	1,903,000,000
Adjustment to daily Treasury statement (unrevised)	+11,819,131.01		
Total income taxes (daily Treasury statement, unrevised)	2,634,618,138.71	2,086,000,000	1,903,000,000
Tax on unjust enrichment (daily Treasury statement, unrevised)	5,666,571.57	6,500,000	6,500,000
Miscellaneous internal revenue:			
Capital stock tax	139,348,566.58	127,000,000	123,400,000
Estate tax	382,175,325.84	321,200,000	329,200,000
Gift tax	34,698,739.01	26,800,000	33,000,000
Alcoholic beverage taxes:			
Distilled spirits (imported) (excise tax)	28,250,370.79	21,800,000	22,500,000
Distilled spirits (domestic) (excise tax) [3]	231,529,618.19	238,400,000	263,800,000
Fermented malt liquors [3]	269,347,044.15	260,100,000	279,300,000
Wines (domestic and imported) (excise tax)	5,891,610.12	5,900,000	6,500,000
Rectification tax [3]	10,811,898.70	10,100,000	11,300,000
Floor taxes	[4] 11,016.46	4,200,000	200,000
Container stamps	9,503,791.23	9,200,000	10,200,000
Special taxes in connection with liquor occupations	10,958,111.87	10,800,000	10,900,000
All other	1,365,947.22	2,500,000	2,600,000
Total alcoholic beverage taxes	567,669,408.73	563,000,000	607,300,000
Tobacco taxes:			
Cigars (large) [3]	12,348,156.46	12,100,000	13,100,000
Cigarettes (small) [3]	493,431,178.43	492,000,000	535,500,000
Snuff	6,678,853.67	6,700,000	6,700,000
Tobacco (chewing and smoking)	53,982,098.23	53,400,000	53,500,000
Cigarette paper and tubes	1,182,538.98	1,200,000	1,100,000
All other [3]	154,584.02	160,000	160,000
Total tobacco taxes	567,777,409.79	565,560,000	610,060,000
Stamp taxes:			
Issues of securities, bond transfers, and deeds of conveyance	20,083,581.38	20,400,000	25,000,000
Stock transfers	18,355,346.01	27,500,000	29,500,000
Silver bullion sales or transfers	142,107.43	100,000	60,000
Playing cards	4,052,567.33	4,000,000	4,000,000
Repealed tax on sales of produce for future delivery	3,599,388.57	300,000	
Total stamp taxes	46,232,990.72	52,300,000	58,560,000
Manufacturers' excise taxes:			
Lubricating oils	31,565,020.49	29,800,000	33,400,000
Gasoline	203,648,079.78	192,000,000	210,500,000
Electrical energy	38,455,401.97	38,900,000	39,600,000
Tires and inner tubes	31,567,183.66	32,700,000	38,200,000
Toilet preparations, etc	16,336,565.43	9,900,000	11,300,000
Automobile trucks	6,696,866.82	7,100,000	7,700,000
Passenger automobiles and motorcycles	43,364,839.25	41,800,000	57,000,000
Parts and accessories for automobiles	7,988,801.79	7,900,000	8,900,000
Radio sets, phonograph records, etc	5,848,841.64	5,600,000	6,900,000
Mechanical refrigerators	8,829,048.33	8,800,000	9,900,000
Firearms, shells, pistols, and revolvers	2,914,635.54	2,900,000	3,400,000
All other, and repealed taxes not included above [5]	19,538,231.63	1,910,000	420,000
Total manufacturers' excise taxes	416,753,516.33	379,310,000	427,220,000

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 22.—*Actual receipts for the fiscal year 1938, and estimated receipts for the fiscal years 1939 and 1940, by sources*—Continued

Source	Actual 1938 [1]	Estimated 1939	Estimated 1940 [2]
GENERAL AND SPECIAL ACCOUNTS—continued			
Revenue receipts—Continued.			
Internal revenue—Continued.			
Miscellaneous internal revenue—Continued.			
Miscellaneous taxes:			
Telegraph, telephone, cable, and radio facilities, leased wires, etc	$23,977,064.52	$20,600,000	$23,600,000
Transportation of oil by pipe line	12,517,030.37	10,900,000	11,800,000
Leases of safe-deposit boxes	2,013,158.73	2,000,000	2,200,000
Admissions to theaters, concerts, cabarets, etc.	20,800,779.49	18,400,000	19,200,000
Club dues and initiation fees	6,550,931.12	6,300,000	6,200,000
Oleomargarine, etc., including special taxes	2,506,051.60	2,200,000	2,600,000
Coconut and other vegetable oils processed [3]	13,266,652.73	11,400,000	12,000,000
Bituminous coal tax	3,211,601.04	3,600,000	4,200,000
Sugar tax	30,569,130.14	61,700,000	62,200,000
All other, including repealed taxes [6]	2,089,872.19	700,000	630,000
Total miscellaneous taxes	117,502,271.93	137,800,000	144,630,000
Total miscellaneous internal revenue (collection basis)	2,272,158,228.93	2,172,970,000	2,333,370,000
Adjustment to daily Treasury statement (unrevised)	+7,294,870.17		
Total miscellaneous internal revenue (daily Treasury statement, unrevised)	2,279,453,099.10	2,172,970,000	2,333,370,000
Payroll taxes:			
Social Security taxes (Public No. 271, Aug. 14, 1935):			
Taxes with respect to employment (title VIII)	[7] 514,345,060.99	519,500,000	597,800,000
Tax on employers of 8 or more (title IX) [8]	90,103,584.91	91,000,000	88,500,000
Total Social Security taxes	604,448,645.90	610,500,000	686,300,000
Carriers Taxing Act of 1937	150,131,981.38	109,300,000	123,750,000
Total payroll taxes (daily Treasury statement, unrevised)	754,580,627.28	719,800,000	810,050,000
Total internal revenue (daily Treasury statement, unrevised)	5,674,318,436.66	4,985,270,000	5,052,920,000
Railroad Unemployment Insurance Act (daily Treasury statement, unrevised) [9]			4,950,000
Customs (daily Treasury statement, unrevised)	359,187,249.57	335,000,000	403,900,000
Miscellaneous: [10]			
Miscellaneous taxes:			
Federal intermediate credit banks franchise tax	741,274.93	840,000	880,000
Tonnage tax	1,781,252.46	1,800,000	1,800,000
Immigration head tax	1,110,401.01	1,030,000	1,030,000
Taxes, Canal Zone	71,115.39	90,000	90,000
Total miscellaneous taxes	3,704,043.79	3,760,000	3,800,000
Interest, exchange, and dividends:			
Interest on bonds of foreign governments under funding agreements	513,773.24	423,943	334,017
Interest on obligations of Reconstruction Finance Corporation purchased by the Secretary of the Treasury	24,297,046.94	14,900,000	12,600,000
Interest on public deposits	35,713.13	15,990	15,990
Interest collections of Farm Security Administration	1,221,805.19	1,650,000	3,000,000
Interest on loans to States, municipalities, etc., Public Works Administration	2,074,758.35	1,500,000	1,500,000
Interest on loans, relief in stricken agricultural areas	284,987.82	186,000	93,000
Interest on advances to Colorado River Dam fund, Boulder Canyon project	2,100,000.00	3,750,000	4,500,000
Dividends on capital stock of the Panama Railroad owned by the United States	350,000.00		
Dividends on shares of Federal savings and loan associations	1,738,675.64	1,600,000	1,500,000
Dividends on capital stock of Federal home loan banks	1,866,882.25	1,840,000	1,840,000
All other	[11] 1,776,140.63	1,382,002	1,394,165
Total interest, exchange, and dividends on capital stock	36,259,783.19	27,247,935	26,777,172

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 22.—*Actual receipts for the fiscal year 1938, and estimated receipts for the fiscal years 1939 and 1940, by sources*—Continued

Source	Actual 1938 [1]	Estimated 1939	Estimated 1940 [2]
GENERAL AND SPECIAL ACCOUNTS—continued			
Revenue receipts—Continued.			
Miscellaneous—Continued.			
Fines and penalties:			
Customs Service	$1,635,259.74	$1,700,000	$1,700,000
United States courts	501,843.96	800,000	800,000
Recovery of value of oil in case of United States against Pan American Petroleum Co	13,278.43		
Penalties, marketing quotas		1,750,000	500,000
Liquidated damages	158,252.43	156,550	156,550
All other	[11] 411,548.37	318,375	307,675
Total fines and penalties	2,720,182.93	4,724,925	3,464,225
Fees:			
Clerks, United States courts	1,207,606.62	2,250,000	2,250,000
Consular and passport	4,380,454.38	4,048,800	4,048,800
Credit unions	64,146.73	83,000	110,700
Copyright	297,096.40	300,000	310,000
Migratory-bird hunting stamps	770,971.00	750,000	750,000
Naturalization	1,455,754.50	1,475,000	1,475,000
Patent	4,346,859.74	4,500,000	4,500,000
Registration, Securities Act	806,525.82	1,000,000	1,000,000
Purchases of Army discharges	699,147.34	300,000	285,000
All other	[11] 1,200,710.72	1,505,050	1,604,905
Total fees	15,229,273.25	16,211,850	16,334,405
Forfeitures	[11] 1,522,826.97	2,180,400	1,929,000
Assessments:			
On Federal home loan banks and receipts from other sources for salaries and expenses, Federal Home Loan Bank Board	1,297,613.18	1,320,000	1,400,000
On Federal and joint stock land banks, and Federal intermediate credit banks for expenses of examinations, Farm Credit Administration	561,197.38	707,260	746,450
Colorado River Dam Fund, Boulder Canyon project	2,136,903.19	4,000,000	5,000,000
All other	[11] 218,736.89	179,600	179,600
Total assessments	4,214,450.64	6,206,860	7,326,050
Reimbursements:			
By District of Columbia for advances for acquisition of lands under sec. 4, act May 29, 1930, as amended	300,000.00	300,000	300,000
Collections, reclamation fund	4,521,713.64	5,700,000	6,000,000
Cost of administration, Federal Power Act	372,253.47	377,300	380,000
Expenses of redeeming national currency	129,136.10	98,960	82,760
Government property lost or damaged	1,104,075.19	1,126,570	1,111,440
Inspection of food and farm products	297,606.80	306,250	342,750
Maintenance, operation, and irrigation charges, Indian Service	645,413.93	665,000	665,000
All other	[11] 1,551,382.05	1,405,390	1,449,760
Total reimbursements	8,921,581.18	9,979,470	10,331,710
Gifts and contributions	[11] 354,475.46	9,140	7,140
Sales of Government property—products:			
Scrap and salvaged materials, condemned stores, waste paper, refuse, etc	3,229,772.12	3,672,035	3,507,850
Card indexes, Library of Congress	281,314.42	295,000	305,000
Hides, Federal Surplus Commodities Corporation	[12] 5,967,533.20		
Public documents, charts, maps, etc	747,863.61	690,610	757,990
Seal and fox skins, and furs	324,626.07	333,000	332,500
All other	[11] 1,119,841.39	972,740	869,110
Total sales of Government property—products	11,670,950.81	5,963,385	5,772,450
Sales of services:			
Alaska R. R. fund receipts	2,473,669.00	2,360,000	2,515,000
Communication service, various departments	412,194.18	436,190	436,190
Laundry and dry-cleaning operations	1,245,675.89	1,257,030	1,257,030
Quarantine charges (including fumigation, disinfection, inspection, etc., of vessels)	220,119.25	220,700	220,700
Tolls and profits, Panama Canal	24,094,800.21	23,500,000	23,750,000
All other	[11] 749,313.52	804,010	509,310
Total sales of services	29,195,772.05	28,577,930	28,688,230

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 22.—*Actual receipts for the fiscal year 1938, and estimated receipts for the fiscal years 1939 and 1940, by sources*—Continued

Source	Actual 1938 [1]	Estimated 1939	Estimated 1940 [2]
GENERAL AND SPECIAL ACCOUNTS—continued			
Revenue receipts—Continued.			
Miscellaneous—Continued.			
Rents and royalties:			
Rent of public buildings, grounds, etc	$298,667.73	$291,250	$291,250
Rent of land	578,280.54	439,040	438,990
Receipts under Mineral Leasing Act	6,532,782.71	7,000,000	7,000,000
Royalties on oil, gas, etc	1,173,236.76	1,272,050	1,272,050
All other	[11] 316,397.26	297,880	271,370
Total rents and royalties	8,899,365.00	9,300,220	9,273,660
Permits, privileges, and licenses:			
Alaska fund	254,423.68	250,000	250,000
Business concessions	226,154.98	294,500	309,500
Immigration reentry permits (earned)	146,717.15	175,000	175,000
Licenses under Federal Power Act	313,587.43	320,800	320,800
Permits to enter national parks	1,211,672.27	1,510,000	1,815,000
Range improvements	346,464.67	310,000	310,000
Under Grazing Act, June 28, 1934	164,825.22	660,000	660,000
All other	[11] 70,319.34	28,200	23,100
Total permits, privileges, and licenses	2,734,164.74	3,548,500	3,863,400
Mint receipts:			
Profits on coinage, bullion deposits, etc	3,241,973.38	2,157,000	2,157,000
Seigniorage	35,583,958.83	33,000,000	15,500,700
Total mint receipts	38,825,932.21	35,157,000	17,657,700
Forest reserve fund	4,680,625.74	5,349,100	5,753,000
Postal funds, Panama Canal	310,383.84	330,000	330,000
United States share of District of Columbia receipts	233,515.28	125,000	125,000
	5,224,524.86	5,804,100	6,208,000
Total miscellaneous revenue receipts	169,477,327.08	158,671,715	141,433,142
Total revenue receipts (warrants issued)	6,197,084,825.99	5,478,941,715	5,603,203,142
Nonrevenue receipts:			
Miscellaneous:			
Realization upon assets:			
Repayment of investments:			
Foreign repayments	74,297.58	79,730	76,510
Payments for marketing excess tobacco, Agricultural Adjustment Administration	404,291.93		
Collections of loans, Federal Housing Administration	1,173,545.04	1,501,150	1,501,150
Repayment of principal on account of loans to States, municipalities, etc., Public Works Administration	2,546,356.83	1,500,000	500,000
Repayment of principal on account of loans, Farm Security Administration	26,117,503.95	33,500,000	60,000,000
Repayment of principal on emergency crop loans, Farm Credit Administration	2,927,046.05	797,000	199,000
Repayment of subscriptions to preferred shares, Federal savings and loan associations	381,000.00	745,000	500,000
All other	[11] 191,764.67	421,530	779,530
Total repayments of investments	33,815,806.05	38,544,410	63,556,190
Sales of public lands	95,649.08	200,000	100,000
Sales of Government property:			
Land, buildings, etc	2,067,800.22	1,289,228	1,383,240
Capital equipment, includes trucks, horses, cars, machinery, furniture, and fixtures, and other capital equipment	366,896.10	289,647	277,428
Oregon and California land-grant fund	546,842.71	500,000	500,000
War supplies, War and Navy Departments	62,552.75	75,000	75,000
All other	[11] 303,272.72	230,000	225,000
Total sales of Government property	3,347,364.50	2,383,875	2,460,668
Total nonrevenue receipts, exclusive of trust accounts	37,258,819.63	41,128,285	66,116,858
Total miscellaneous receipts, exclusive of trust accounts	206,736,146.71	199,800,000	207,550,000
Total general and special accounts receipts (warrants issued)	6,234,343,645.62	5,520,070,000	5,669,320,000
Adjustment to daily Treasury statement (unrevised) on miscellaneous revenue receipts	7,317,581.37		
Total general and special accounts receipts (daily Treasury statement, unrevised)	6,241,661,226.99	5,520,070,000	5,669,320,000

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 22.—*Actual receipts for the fiscal year 1938, and estimated receipts for the fiscal years 1939 and 1940, by sources*—Continued

Source	Actual 1938[1]	Estimated 1939	Estimated 1940[2]
TRUST ACCOUNTS			
Nonrevenue receipts:			
Miscellaneous:			
Government life insurance fund	$93,646,804.79	$94,823,000	$92,935,000
Adjusted service certificate fund (interest)	1,475,210.74	745,000	245,000
Civil service retirement fund	53,957,875.62	58,000,000	70,000,000
Foreign Service retirement fund	324,145.50	337,000	345,000
Canal Zone retirement fund	654,505.08	780,000	830,000
Alaska Railroad retirement and disability fund	160,084.68	190,000	230,000
Deposits, unearned proceeds of sale of publications Superintendent of Documents, Government Printing Office	508,844.99	533,500	600,000
Receipts, Welfare and Recreational Association of Public Buildings and Grounds	2,477,691.46	2,500,000	2,600,000
Deposits, personal funds of patients, Veterans' Administration	2,136,338.26	2,100,000	2,100,000
Deposits of miscellaneous contributed funds, Department of Agriculture	102,023.63	116,900	106,400
Deposits, Farm Security Administration, assets of State rural rehabilitation corporations	5,835,489.38	2,840,000	2,475,000
Forest Service cooperative work	1,072,635.41	1,150,000	1,150,000
Proceeds from sale of hides (Federal Surplus Commodities Corporation)	[13] *5,967,538.20*	450,000	
Contributions to reclamation fund	$3,390,000.00	$285,000	$42,000
Deposits, unearned proceeds, lands, etc., General Land Office	202,171.54	200,000	200,000
Proceeds of sales and leases of Indian lands, etc	6,698,402.63	6,310,000	7,325,000
Deposits of collections, clerks of United States district courts and circuit court of appeals	3,345,207.72	1,010,000	1,010,000
Deposit of Japanese indemnity in settlement of claims growing out of sinking of U. S. S. *Panay* and Standard Vacuum Oil Co. vessels	2,214,007.36		
Internal revenue, Philippine Islands collections	694,424.03	700,000	700,000
Internal revenue, coconut oil tax, Philippine Islands	14,203,377.67	11,116,000	11,200,000
Contributions and advances for river and harbor improvements	1,323,900.00	100,000	50,000
Contributions for flood control	1,616,371.85	418,200	808,950
Civilian Conservation Corps, withheld cash allowances	4,450,650.84	5,000,000	5,000,000
Pay of the Army, deposit fund	1,666,439.37	1,800,000	2,000,000
Naval hospital fund	1,319,613.06	1,300,000	1,300,000
District of Columbia	45,147,300.44	66,856,728	43,961,341
All other	[11] 6,589,352.44	6,575,570	5,665,660
Total miscellaneous trust accounts (warrants issued)	249,245,335.29	266,156,898	253,814,351
Adjustment to daily Treasury statement (unrevised)	−815,418.23		
Total miscellaneous trust accounts (daily Treasury statement, unrevised)	248,429,917.06	266,156,898	253,814,351
Increment resulting from reduction in the weight of the gold dollar	1,095,128.89		
Seigniorage	90,351,012.40	70,000,000	70,000,000
Old-age reserve account (interest on investments)	15,412,232.89	27,029,000	43,863,000
Railroad retirement account (interest on investments)	1,410,821.92	2,200,000	2,600,000
Transfers from General Fund:			
Civil service retirement fund (United States and District of Columbia share)	73,234,760.00	75,086,760	87,171,760
Foreign service retirement fund (United States share)	188,000.00	187,600	199,400
Canal Zone retirement fund (United States share)	500,000.00	500,000	500,000
Alaska Railroad retirement fund (United States share)	175,000.00	175,000	175,000
Old-age reserve account	387,000,000.00	503,000,000	570,000,000
Railroad retirement account	146,406,307.87	107,000,000	120,150,000
Unemployment trust account	763,985,917.64	811,890,000	826,108,500
	1,479,759,181.61	1,597,068,360	1,720,767,660
Total trust accounts (warrants issued)	1,729,004,516.90	1,863,225,258	1,974,582,011
Adjustment to daily Treasury statement (unrevised)	−1,972,823.60		
Total trust accounts (daily Treasury statement, unrevised)	1,727,031,693.30	1,863,225,258	1,974,582,011
Total receipts, exclusive of postal revenues (daily Treasury statement, unrevised)	7,968,692,920.29	7,383,295,258	7,643,902,011

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 22.—*Actual receipts for the fiscal year 1938, and estimated receipts for the fiscal years 1939 and 1940, by sources*—Continued

Source	Actual 1938 [1]	Estimated 1939	Estimated 1940 [2]
SUMMARY BY ACCOUNTS			
(Daily Treasury statement, unrevised)			
General and special accounts:			
Internal revenue	$5,674,318,436.66	$4,985,270,000	$5,052,920,000
Railroad Unemployment Insurance Act			4,950,000
Customs (excluding tonnage tax)	359,187,249.57	335,000,000	403,900,000
Miscellaneous receipts	208,155,540.76	199,800,000	207,550,000
Total general and special accounts	6,241,661,226.99	5,520,070,000	5,669,320,000
Trust accounts	1,727,031,693.30	1,863,225,258	1,974,582,011
Total receipts, exclusive of postal revenues	7,968,692,920.29	7,383,295,258	7,643,902,011
SUMMARY BY DEPARTMENTS, ETC.			
General and special accounts:			
Legislative establishment	1,235,239.93	1,140,300	1,152,650
Executive and independent offices	17,062,623.67	13,409,788	12,250,223
Department of Agriculture	40,927,250.59	44,740,507	71,993,708
Department of Commerce	7,140,384.25	7,239,478	7,272,448
Department of the Interior	22,725,140.59	28,523,145	30,846,420
Department of Justice	3,018,717.88	5,283,450	5,022,950
Department of Labor	3,218,177.16	3,134,600	3,126,600
Navy Department	2,861,883.25	2,745,610	2,523,610
Post Office Department	35,178.16	35,000	35,000
Department of State	4,559,146.94	4,108,650	4,108,150
Treasury Department	[14] 6,101,067,421.65	5,380,448,444	5,501,474,071
War Department	5,316,712.85	5,119,643	5,123,235
Panama Canal	24,942,253.42	24,016,385	24,265,935
District of Columbia	233,515.28	125,000	125,000
Total	6,234,343,645.62	5,520,070,000	5,669,320,000
Adjustment to daily Treasury statement basis (unrevised)	+7,317,581.37		
Total general and special account receipts exclusive of postal revenues (daily Treasury statement, unrevised)	6,241,661,226.99	5,520,070,000	5,669,320,000
Trust accounts (warrants issued)	1,729,004,516.90	1,863,225,258	1,974,582,011
Adjustment to daily Treasury statement basis (unrevised)	−1,972,823.60		
Total trust accounts (daily Treasury statement, unrevised)	1,727,031,693.30	1,863,225,258	1,974,582,011
Total receipts exclusive of postal revenues (daily Treasury statement, unrevised)	7,968,692,920.29	7,383,295,258	7,643,902,011

[1] Details of income taxes and miscellaneous internal revenue on collection basis with totals adjusted to basis of the daily Treasury statement (unrevised). Details of payroll taxes on basis of the daily Treasury statement (unrevised). Miscellaneous revenue and nonrevenue receipts detail on basis of warrants issued with totals adjusted to basis of daily Treasury statements (unrevised).

[2] Assuming the extension of the temporary taxes in their present form. If the temporary taxes are not extended, total receipts to general and special accounts are estimated at $5,178,540,000 for fiscal year 1940.

[3] Collections for credit to trust funds are not included.

[4] Receipts from the floor tax under the Liquor Taxing Act of 1934.

[5] Includes the taxes, repealed in the Revenue Act of 1938, on brewer's wort and malt, cameras, chewing gum, furs, and sporting goods, and the tax on matches (repealed except for the tax on fancy wooden matches).

[6] Includes the processing tax on crude petroleum repealed in the Revenue Act of 1938.

[7] Includes counter-entry receipts of $60,610.39 tabulated as "Unclassified."

[8] Estimates assume that the Social Security Board certifies in each taxable year all States as having approved laws.

[9] It has been assumed that 10 percent of the total liability for contributions under the act will enter general and special accounts, and that liabilities will be paid on a quarterly basis in the following quarter. It is assumed that liabilities for only three quarters will be collected in the fiscal year 1940.

[10] Miscellaneous receipts classified by departments and establishments on p. 461.

[11] For further details, see table 1, p. 354.

[12] See counter-entry for like amount under trust account following for adjustment of receipts, per decision of Comptroller General (A-76242), dated July 1, 1937. $5,072,005.11 was carried to the surplus fund of the Treasury during the fiscal year 1938, under the trust account, "Expenses, sale of hides, Federal Surplus Commodities Corporation," Department of Agriculture.

[13] See note 12.

[14] Includes customs and internal revenue receipts on cash basis.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 23.—*Funds appropriated and allocated for recovery and relief and expenditures therefrom, as of June 30, 1938*

[In millions of dollars]

Organization	Sources of funds							Expenditures	
	Appropriations								
	Specific	Statutory and executive allocations			Work Relief and Public Works Appropriation Act of 1938	Reconstruction Finance Corporation [4]	Total	Fiscal year 1938	Fiscal year 1937 and prior years [1]
		National Industrial Recovery Act, approved June 16, 1933	Emergency Appropriation Act, 1935, approved June 19, 1934	Emergency Relief Appropriation Acts of 1935, 1936, and 1937					
Agricultural aid:									
Agricultural Adjustment Administration	[2] 161	37	------	------	------	------	198	------	198
Federal Farm Mortgage Corporation:									
Capital stock	------	------	------	------	------	200	200	------	200
Reduction in interest rate on mortgages	8	------	------	------	------	------	8	6	------
Federal land banks:									
Capital stock	125	------	------	------	------	------	125	5	120
Paid-in surplus	189	------	------	------	------	------	189	33	142
Reduction in interest rates on mortgages	121	------	------	------	------	------	121	32	81
Commodity Credit Corporation, restoration of capital impairment	94	------	------	------	------	------	94	94	------
Relief:									
Federal Emergency Relief Administration [3]	[4] 605	152	481	935	------	911	3,083	4	3,074
Civil Works Administration	[4] 332	399	------	------	------	89	821	[5]	817
Civilian Conservation Corps	93	318	321	594	------	------	1,325	1	1,318
Department of Agriculture, relief	------	------	84	------	------	------	84	[5]	84
Public works (including work relief):									
Public Works Administration	------	------	------	------	965	------	965	------	------
Public highways	255	438	[5]	507	------	------	1,200	85	1,061
River and harbor work and flood control	------	256	94	163	[5]	------	513	34	467
Rural Electrification Administration	------	------	------	15	------	47	62	38	12
Works Progress Administration	------	------	------	4,821	1,424	------	6,245	1,472	3,160
All other	83	829	94	612	1	------	1,620	220	1,297
Aid to home owners:									
Home loan system:									
Home loan bank stock	------	------	------	------	------	125	125	5	120
Home Owners' Loan Corporation	------	------	------	------	------	200	200	------	200
Federal savings and loan associations	[6] 50	------	------	------	------	------	50	[5]	50
Emergency housing	------	22	------	83	------	------	105	22	82
United States Housing Authority	------	7	------	25	------	------	32	20	------
Federal Housing Administration	------	1	------	------	------	62	63	12	47
Farm Security Administration [7]	------	26	3	557	------	------	586	180	356
Miscellaneous:									
Federal Deposit Insurance Corporation	150	------	------	------	------	------	150	------	150
Administration for Industrial Recovery	------	19	5	------	------	------	24	[5 8]	24
Tennessee Valley Authority	------	50	25	------	------	------	75	------	75
Subtotal	2,266	2,556	1,106	8,311	2,390	1,633	18,262	2,264	13,137

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 23.—*Funds appropriated and allocated for recovery and relief and expenditures therefrom, as of June 30, 1938*—Continued

[In millions of dollars]

Organization	Sources of funds							Expenditures	
	Appropriations					Reconstruction Finance Corporation*	Total	Fiscal year 1938	Fiscal year 1937 and prior years[1]
	Specific	Statutory and executive allocations			Work Relief and Public Works Appropriation Act of 1938				
		National Industrial Recovery Act, approved June 16, 1933	Emergency Appropriation Act, 1935, approved June 19, 1934	Emergency Relief Appropriation Acts of 1935, 1936, and 1937					
Revolving funds (net):[9]									
Agricultural aid:									
Commodity Credit Corporation	------	3	------	------	------	[10] 367	370	[11] 1	122
Farm Credit Administration	58	59	90	17	------	186	411	[8] *13*	372
Public Works:									
Loans and grants to States, municipalities, etc.	------	589	108	313	------	([12])	1,010	134	619
Loans to railroads									
Miscellaneous:									
Export-Import Bank of Washington	------	1	------	------	------	45	46	[8] *1*	18
Reconstruction Finance Corporation—direct loans and expenditures	------	------	------	------	------	3,259	3,259	48	1,697
Subtotal	58	653	198	330	------	3,857	5,096	169	2,829
Total	2,324	3,209	1,304	8,641	2,390	5,490	23,358	2,434	15,966
Unallocated funds	([5])	([5])	([5])	15	------	------	15	------	------
Grand total	2,324	[13] 3,209	[14] 1,304	[15] 8,656	2,390	5,490	23,373	2,434	15,966

*Some of the items in this column were affected by the act approved Feb. 24, 1938, pursuant to which certain notes of the Reconstruction Finance Corporation held by the Treasury were canceled and title to certain securities held by the Reconstruction Finance Corporation was transferred to the Secretary of the Treasury. For details see p. 19 of this report.

[1] The emergency expenditures included in this statement for the period prior to the fiscal year 1934 include only expenditures on account of the Reconstruction Finance Corporation and subscriptions to capital stock of Federal land banks under authority of the act of Jan. 23, 1932. Expenditures by the several departments and establishments for public works under the Emergency Relief and Construction Act of 1932 were made from general disbursing accounts, and therefore are not susceptible to segregation from the general expenditures of such departments and establishments on the basis of the daily Treasury statements.

[5] The sum of $160,770,303.38 represents the balance under appropriations provided by the acts of May 12, 1933, May 25, 1934, and Aug. 24, 1935.

[8] Includes expenditures made by Federal Surplus Commodities Corporation from funds provided for the Federal Emergency Relief Administration.

[9] The appropriation of $950,000,000, provided in the act of Feb. 15, 1934, was allocated by the President as follows: Federal Emergency Relief Administration, $604,995,000, of which $131,542.23 has been transferred to the Emergency Relief appropriation and $1,669.70 carried to the surplus fund of the Treasury; Civil Works Administration, $344,995,000, of which amount $7,570,000 has been transferred to the Emergency Relief appropriation, $5,218,250 transferred to the Employees' Compensation Commission, and $7,519.01 carried to the surplus fund of the Treasury; leaving an unallocated balance of $10,000.

[6] Less than $500,000.

[6] Includes $700,000 allocated for savings and loan promotion as authorized by sec. 11 of the act of Apr. 27, 1934.

[7] Includes allocations and expenditures on account of subsistence homesteads.

[8] Excess of credits (deduct).

[9] Expenditures are stated on a net basis, i. e., gross expenditures, less repayments and collections, the details of which are set forth in the supplementary statement following.

[10] Net, after deducting repayments to the Reconstruction Finance Corporation.

[11] Includes deposit of proceeds of appropriation for restoration of capital impairment of the Commodity Credit Corporation provided in act of June 25, 1938. The credit to this account is offset by an expenditure in the amount under the caption "Recovery and relief; Agricultural aid," above.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Details of revolving funds, fiscal year 1938, included in expenditures in the table above

[In millions of dollars]

Organization	Payments	Repayments and collections	Net expenditures
Commodity Credit Corporation	109	108	1
Farm Credit Administration	1	14	[6] *13*
Loans and grants to States, municipalities, etc	218	81	137
Loans to railroads	([16])	3	[5] *3*
Export-Import Bank of Washington	3	4	[5] *1*
Reconstruction Finance Corporation, direct loans and expenditures	493	445	48

[6] Less than $500,000.

[12] Under the provisions of the Emergency Appropriation Act, fiscal year 1935, and the Emergency Relief Appropriation Act of 1937, the Reconstruction Finance Corporation is authorized to purchase marketable securities acquired by the Federal Emergency Administration of Public Works. The purchase of such securities by the Reconstruction Finance Corporation is reflected as expenditures of the Reconstruction Finance Corporation and as credits against expenditures of the Federal Emergency Administration of Public Works.

[13] Exclusive of the $90,972,316.04 transfer referred to in note 15, and $184,275.51 carried to the surplus fund of the Treasury.

[14] Exclusive of the $40,364,759.65 and $50,334,412.27 transfers referred to in note 15, and $5,500,000 transferred to salaries and expenses, Farm Credit Administration; and $25,735,783.34 carried to the surplus fund of the Treasury.

[15] Includes $4,000,000,000 specific appropriation under the act of Apr. 8, 1935, $1,425,000,000 specific appropriation under the act of June 22, 1936, $789,000,000 specific appropriation under the act of Feb. 9, 1937, $1,500,000,000 specific appropriation under the act of June 29, 1937, $250,000,000 specific appropriation under the act of Mar. 2, 1938, and transfers of unexpended balances as follows: From the Reconstruction Finance Corporation, $500,000,000; from the appropriation of $3,300,000,000 for National Industrial Recovery, $90,972,316.04; from the appropriation of $525,000,000 for relief in stricken agricultural areas provided in the Emergency Appropriation Act of 1935, approved June 19, 1934, $40,364,759.65; from the appropriation of $899,675,000 for emergency relief and public works provided in the Emergency Appropriation Act of 1935, approved June 19, 1934, $50,334,412,27; from the appropriation of $950,000,000 for emergency relief and civil works provided in the act of Feb. 15, 1934, $7,701,542.23; from unobligated moneys referred to in sec. 4 of the act of Mar. 31, 1933, $21,527,113.76; and moneys transferred pursuant to sec. 15 (f) of the Agricultural Adjustment Act, $12,921,502.64, less transfer of $31,500,000 to War Department under the act of July 19, 1937.

[16] Excess of repayments and collections (deduct).

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals. For complete figures see daily Treasury statement for June 30, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 24.—*Financial status of appropriations provided in the Emergency Relief Appropriation Acts of 1935, 1936, and 1937, as of June 30, 1938*

Organization unit	Allocations by the President (warrants issued)	Obligations	Voucher payments (checks issued), fiscal years 1935 to 1938	Unliquidated obligations outstanding	Unobligated balances	
					Available for obligation	Not available for obligation [1]
LEGISLATIVE ESTABLISHMENT						
Architect of the Capitol:						
Improvements to United States Court of Appeals Building	$365,539.61	$365,539.61	$326,004.87	$39,534.74		
Library of Congress:						
Construction of talking-book machines for blind	713,382.95	708,904.91	705,335.01	3,569.90		$4,478.04
EXECUTIVE DEPARTMENTS						
Agriculture:						
Administrative expenses	11,988,256.72	11,811,775.53	11,673,259.01	138,516.52		176,481.19
Agricultural Economics	2,806,092.46	2,665,005.71	2,455,476.20	209,529.51		141,086.75
Agricultural Engineering	7,143.22	7,143.22	7,143.22			
Animal Industry	1,651,318.82	1,649,888.18	1,648,786.07	1,102.11		1,430.64
Biological Survey	3,855,688.79	3,813,578.49	3,489,367.18	324,211.31		42,110.30
Dairy Industry	2,990.11	2,990.11	2,990.11			
Entomology and Plant Quarantine	33,853,954.26	33,566,154.53	33,138,350.40	427,804.13		287,799.73
Extension Service:						
Salvaging agricultural exhibits	4,059.46	4,059.46	4,059.46			
Wind-erosion control, statutory allocation [2]	2,000,000.00	2,000,000.00	2,000,000.00			
Forest Service	51,102,507.00	50,788,726.76	49,585,938.09	1,202,788.67		313,780.24
Home Economics	2,138,767.08	2,083,880.74	2,003,237.88	80,642.86		54,886.34
Plant Industry	39,770.18	39,770.18	39,770.18			
Soil Conservation Service	27,146,647.00	26,944,327.24	26,779,641.14	164,686.10		202,319.76
Weather Bureau	18,781.23	18,781.23	18,781.23			
Public Roads, including grade-crossing elimination	406,828,601.81	398,063,989.37	351,102,047.99	46,961,941.38	[3] $8,634,599.75	130,012.69
Statutory allocation [4]	100,000,000.00	100,000,000.00	97,140,637.61	2,859,362.39		
Total Public Roads	506,828,601.81	498,063,989.37	448,242,685.60	49,821,303.77	8,634,599.75	130,012.69
Farm Security Administration:						
Administrative expenses	80,535,000.00	80,194,484.43	78,422,043.15	1,772,441.28	31,021.05	309,494.52
Completion of Federal rural rehabilitation projects	29,676,935.00	28,265,012.19	23,809,472.64	4,455,539.55	1,411,922.81	
Direct relief to farmers and livestock growers	43,500,000.00	23,077,935.38	23,012,061.65	65,873.73	20,422,064.62	
Direct relief for Indians	205,000.00	169,692.64	105,048.30	64,644.34	35,307.36	
Direct relief for needy persons	50,000.00	50,000.00	50,000.00			
Flood control and other conservation	19,570,581.00	19,537,659.66	19,386,702.25	150,957.41		32,921.34
Loans and grants in stricken agricultural areas	4,598,157.32	4,598,157.32	4,598,157.32			
Loans to needy farmers and livestock growers	71,000,000.00	70,914,453.58	68,040,498.89	2,873,954.69	85,546.42	
Public buildings, parks, utilities, flood control, etc	13,305,538.00	13,132,831.31	11,960,958.91	1,171,872.40	172,706.69	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 24.—*Financial status of appropriations provided in the Emergency Relief Appropriation Acts of 1935, 1936, and 1937, as of June 30, 1938*—Continued

Organization unit	Allocations by the President (warrants issued)	Obligations	Voucher payments (checks issued), fiscal years 1935 to 1938	Unliquidated obligations outstanding	Unobligated balances	
					Available for obligation	Not available for obligation [1]
EXECUTIVE DEPARTMENTS—Continued						
Agriculture—Continued.						
Farm Security Administration—Continued.						
Rehabilitation of Indians	$1,055,000.00	$1,054,470.26	$1,016,209.14	$38,261.12	$529.74	
Relief in stricken agricultural areas	14,968,202.89	14,968,202.89	14,968,202.89			
Rural rehabilitation	120,207,460.00	120,126,031.21	119,302,324.53	823,706.68		$81,428.79
Rural rehabilitation and relief in stricken agricultural areas	22,126,732.43	22,126,677.43	22,126,677.43			55.00
Rural rehabilitation, loans and relief to farmers and livestock growers	114,520,000.00	114,375,612.84	113,042,461.01	1,333,151.83		144,387.16
Sanitation, prevention of soil erosion, etc	21,565,112.72	21,318,601.03	19,345,830.47	1,972,770.56		246,511.69
Total Farm Security Administration	556,883,719.36	533,909,822.17	519,186,648.58	14,723,173.59	[5] 22,159,098.69	814,798.50
Total Department of Agriculture	1,200,328,297.50	1,167,369,892.92	1,100,276,134.35	67,093,758.57	30,793,698.44	2,164,706.14
Commerce:						
Administrative expenses	937,717.58	934,635.54	905,060.01	29,575.53		3,082.04
Census	10,794,078.22	10,777,833.35	10,738,716.29	39,117.06		16,244.87
Fisheries	150,156.52	150,156.52	150,156.52			
Industrial Economics	99,967.91	99,967.91	99,967.91			
Lighthouses	19,029.22	19,029.22	19,029.22			
Standards	75,000.00	75,000.00	75,000.00			
Total Department of Commerce	12,075,949.45	12,056,622.54	11,987,929.95	68,692.59		19,326.91
Interior:						
Administrative expenses	4,087,181.00	3,909,598.30	3,848,091.30	61,507.00		177,582.70
Bituminous coal survey	70,516.93	70,516.93	70,516.93			
Geological Survey	108,693.64	108,693.64	108,693.64			
Indian Affairs	2,186,927.22	2,181,300.61	2,178,840.24	2,460.37		5,626.61
National Park Service	30,827,424.08	30,237,209.99	20,168,650.34	10,068,559.65		590,214.09
Office of Education	2,628,817.89	2,603,296.30	2,546,798.49	56,497.81		25,521.59
Puerto Rico Reconstruction Administration:						
Administrative expenses	3,516,015.00	3,407,621.83	3,342,702.51	64,919.32	[6] 108,274.14	119.03
Work projects	46,967,332.65	39,623,835.20	36,958,148.60	2,665,686.60	[6] 7,335,057.23	8,440.22
Reclamation Service	66,652,000.00	63,987,698.23	57,383,027.58	6,604,670.65	[7] 2,664,301.77	
Saint Elizabeths Hospital	9,396.12	9,396.12	9,396.12			

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Territories and Island Possessions:						
Alaska, miscellaneous projects	68,238.60	50,357.00	44,360.00	5,997.00		17,881.60
Alaska Railroad	210,400.00	42,000.02	8,974.02	33,026.00		168,399.98
Alaska Road Commission	1,134,930.16	1,118,029.69	1,108,924.46	9,105.23		16,900.47
Virgin Islands, various projects	971,604.07	956,917.56	898,853.47	58,064.09		14,686.51
United States Housing Authority: Housing [8]	24,784,742.48	19,399,384.41	16,255,076.77	3,144,307.64	[9] 5,385,358.07	
Total Department of the Interior	184,224,219.84	167,705,855.83	144,931,054.47	22,774,801.36	15,492,991.21	1,025,372.80
Justice:						
Administrative expenses	2,975,309.00	2,894,856.21	2,780,508.69	114,347.52		80,452.79
Survey of criminal laws and records	40,000.00	39,921.86	34,467.39	5,454.47		78.14
Total Department of Justice	3,015,309.00	2,934,778.07	2,814,976.08	119,801.99		80,530.93
Labor:						
Administrative expenses	523,251.00	516,781.65	506,471.59	10,310.06		6,469.35
Consumers' goods survey	173,850.00	172,103.35	169,757.56	2,345.79		1,746.65
Immigration and Naturalization	175,527.93	175,527.93	175,527.93			
Labor Statistics	1,969,500.00	1,905,030.60	1,798,291.41	106,739.19		64,469.40
U. S. Employment Service	30,955,001.00	30,745,756.98	30,704,737.28	41,019.70		209,244.02
Total Department of Labor	33,797,129.93	33,515,200.51	33,354,785.77	160,414.74		281,929.42
Navy:						
Administrative expenses	961,219.14	948,578.42	901,273.45	47,304.97		12,640.72
Yards and Docks	47,339,583.78	46,766,454.23	45,458,218.88	1,308,235.35		573,129.55
Total Navy Department	48,300,802.92	47,715,032.65	46,359,492.33	1,355,540.32		585,770.27
State:						
Administrative expenses	4,919.82	4,919.82	4,919.82			
International Boundary Commission	147,344.26	147,344.26	147,344.26			
Total State Department	152,264.08	152,264.08	152,264.08			
Treasury:						
Administrative expenses	74,178,626.94	73,446,702.12	72,127,943.23	1,318,758.89		731,924.82
Coast Guard	4,811,900.26	4,809,341.18	4,766,942.58	42,398.60		2,559.08
Internal revenue tax survey	9,972,891.08	9,721,327.46	9,667,466.67	53,860.79		251,563.62
Procurement Division:						
Decoration of Federal buildings	771,521.44	754,430.32	744,140.12	10,290.20		17,091.12
Work relief supply fund, act of 1935	60,000.00	20,836.97	20,836.97			39,163.03
Reimbursable from projects		*—20,836.97*		*—20,836.97*		20,836.97
Work relief supply fund, act of 1937	2,000,000.00	843,627.57	843,627.57			1,156,372.43
Reimbursable from projects		*—843,627.57*		*—843,627.57*		843,627.57
Total Procurement Division	2,831,521.44	754,430.32	[10] 1,608,604.66	*—[10] 854,174.34*		2,077,091.12
Public Health Service	5,345,996.60	5,337,264.48	5,272,971.09	64,293.39		8,732.12
Total Treasury Department	97,140,936.32	94,069,065.56	93,443,928.23	625,137.33		3,071,870.76

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 24.—*Financial status of appropriations provided in the Emergency Relief Appropriation Acts of 1935, 1936, and 1937, as of June 30, 1938—Continued*

Organization unit	Allocations by the President (warrants issued)	Obligations	Voucher payments (checks issued), fiscal years 1935 to 1938	Unliquidated obligations outstanding	Unobligated balances	
					Available for obligation	Not available for obligation[1]
EXECUTIVE DEPARTMENTS—Continued						
War:						
Corps of Engineers	$164,315,196.81	$162,731,793.21	$154,697,273.83	$8,034,519.38		$1,583,403.60
Medical care of employees, including administrative expenses	11,000.00	11,000.00	10,997.50	2.50		
Office of the Chief of Staff, work relief projects	3,193,255.01	3,191,012.08	3,189,235.38	1,776.70		2,242.93
Quartermaster Corps	59,408,207.40	58,313,034.84	50,927,586.85	7,385,447.99		1,095,172.56
Total War Department	226,927,659.22	224,246,840.13	208,825,093.56	15,421,746.57		2,680,819.09
INDEPENDENT ESTABLISHMENTS						
Advisory Committee on Allotments:						
Administrative expenses	17,127.42	17,127.42	17,127.42			
Alley Dwelling Authority:						
Low-cost housing, alley improvements	365,496.80	365,496.80	365,496.80			
Census of Partial Employment, Unemployment, and Occupations:						
Administrative expenses	2,000,000.00	1,891,616.98	1,777,260.10	114,356.88	[11] $50,000.00	58,383.02
Civil Service Commission:						
Administrative expenses	119,536.14	119,530.09	119,530.09			6.05
Civilian Conservation Corps:						
Administrative expenses	186,979.46	186,979.46	186,979.46			
Acquisition of land	982,570.51	982,240.94	797,161.97	185,078.97		329.57
Civilian Conservation Corps camps, including administrative expenses	580,177,830.84	580,177,830.84	579,275,165.71	902,665.13		
Forest Service, miscellaneous projects	900,000.00	896,611.42	896,611.42			3,388.58
Indian Service	11,371,699.45	11,367,957.24	11,356,409.42	11,547.82		3,742.21
Total Civilian Conservation Corps	593,619,080.26	593,611,619.90	592,512,327.98	1,099,291.92		7,460.36
Coordinator for Industrial Cooperation:						
Administrative expenses	176,150.00	175,169.47	174,373.88	795.59		980.53
Employees' Compensation Commission:						
Injury compensation fund, including administrative expenses	33,925,000.00	13,200,332.57	13,172,438.96	27,893.61	[12] 20,724,667.43	

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Farm Credit Administration:						
Emergency crop loans	16,884,200.31	16,884,200.31	16,884,200.31			
Federal Emergency Relief Administration:						
Grants to States, including administrative expenses	934,592,359.00	934,224,446.77	934,180,692.79	43,753.98		367,912.23
General Accounting Office:						
Administrative expenses	11,000,000.00	10,944,953.11	10,910,851.21	34,101.90		55,046.89
National Emergency Council:						
Administrative expenses	3,358,158.00	3,268,014.94	3,235,047.28	32,967.66		90,143.06
Study of executive agencies	87,883.63	87,883.63	87,883.63			
Total National Emergency Council	3,446,041.63	3,355,898.57	3,322,930.91	32,967.66		90,143.06
National Resources Committee:						
Administrative expenses	2,623,241.81	2,556,897.16	2,382,537.89	174,359.27		66,344.65
Prison Industries Reorganization Administration:						
Administrative expenses	353,041.00	347,395.64	340,518.81	6,876.83		5,645.36
Public Works Administration:						
Housing	82,854,953.48	82,854,953.48	82,854,953.48			
Loans and grants to States, etc.	313,339,437.74	311,594,931.32	284,866,334.11	26,728,597.21	1,744,506.42	
Total Public Works Administration	396,194,391.22	394,449,884.80	367,721,287.59	26,728,597.21	[13] 1,744,506.42	
Rural Electrification Administration:						
Administrative expenses	948,710.50	948,429.90	948,335.71	94.19		280.60
Loans to private corporations, etc	11,946,742.00	11,946,742.00	10,861,880.28	1,084,861.72		
Loans to States, etc.	2,528,386.00	2,528,386.00	2,226,602.77	301,783.23		
Construction of electric distribution systems	60,735.00	25,602.65	19,939.32	5,663.33		35,132.35
Total Rural Electrification Administration	15,484,573.50	15,449,160.55	14,056,758.08	1,392,402.47		35,412.95
Veterans' Administration:						
Administrative expenses	12,766.23	12,558.82	12,558.82			207.41
Construction and improvement of buildings	2,101,480.38	1,636,566.70	1,422,590.71	213,975.99		464,913.68
Highways, roads, and streets	191,617.00	78,034.81	33,099.65	44,935.16		113,582.19
Total Veterans' Administration	2,305,863.61	1,727,160.33	1,468,249.18	258,911.15		578,703.28
Works Progress Administration:						
State works programs	4,310,540,387.77	4,302,379,670.63	4,178,908,954.75	123,470,715.88	7,529,577.30	631,139.84
Federal Nationwide works program	131,633,444.03	130,887,718.92	129,511,021.57	1,376,697.35	570,249.20	175,475.91
National Youth Administration:						
Student aid program	70,989,899.89	70,817,210.82	70,619,953.68	197,257.14	136,258.67	36,430.40
Work projects	84,512,471.22	83,962,440.27	81,690,947.33	2,271,492.94	531,649.08	18,381.87

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 24.—*Financial status of appropriations provided in the Emergency Relief Appropriation Acts of 1935, 1936, and 1937, as of June 30, 1938—Continued*

Organization unit	Allocations by the President (warrants issued)	Obligations	Voucher payments (checks issued), fiscal years 1935 to 1938	Unliquidated obligations outstanding	Unobligated balances	
					Available for obligation	Not available for obligation[1]
INDEPENDENT ESTABLISHMENTS—Continued						
Works Progress Administration—Continued.						
Administrative expenses	$198,537,610.00	$197,626,210.45	$195,215,083.17	$2,411,127.28	$720,228.69	$191,170.86
Land utilization and rural rehabilitation	27,887,738.27	27,849,783.96	27,784,285.99	65,497.97		37,954.31
Undistributed by programs	10,872,501.89				10,872,501.89	
Total Works Progress Administration	4,834,974,053.07	4,813,523,035.05	4,683,730,246.49	129,792,788.56	[14] 20,360,464.83	1,090,553.19
Total allocations	[15] 8,655,121,646.59	8,553,683,922.33	8,286,313,827.19	267,370,095.14	89,166,328.33	12,271,395.93
Unallocated	1,200,000.00					[16] 1,200,000.00
Grand total	[17] 8,656,321,646.59	8,553,683,922.33	8,286,313,827.19	267,370,095.14	89,166,328.33	13,471,395.93

[1] These funds are not available for allocation or obligation after June 30, 1938. However, such balances are subject to adjustment for obligations which were incurred prior to expiration of appropriations and which were not heretofore reported by the respective administrative agencies.

[2] Statutory allocation for wind-erosion control (act of Feb. 29, 1936, 74th Cong.).

[3] Funds originally appropriated under symbol 001161 Emergency Relief Appropriation Act of 1935; balance transferred to symbol 01-001161 Appropriation Account without limit as to expiration date.

[4] Statutory allocation for Public Roads under Department of Agriculture Appropriation Act of 1936.

[5] Unobligated balances continued available to augment new appropriation of $175,000,000 under sec. 1, Emergency Relief Appropriation Act of 1938.

[6] Continued available for obligation to June 30, 1940, under the act of Feb. 11, 1936.

[7] Available to June 30, 1939, for Bureau of Reclamation, Interior Department Appropriation Act, 1939.

[8] Expenditures are from funds transferred from Public Works Administration.

[9] Transferred from symbol 052024 Public Works Administration, Housing, which was continued available to July 1, 1939, by the Public Works Administration Extension Act of 1937, June 29, 1937.

[10] Includes net payments made from Work Relief Supply Fund amounting to $864,464.54 not yet reimbursed by governmental agencies for which purchases were made, less unliquidated obligations of the Procurement Division.

[11] $50,000 continued available to October 31, 1938, by Second Deficiency Act, fiscal year 1938.

[12] Unobligated balances transferred as of June 30, 1938, to a new account established by Independent Offices Appropriation Act, 1939, to be designated as "Employees Compensation Fund, Emergency Relief." Available for expenditure to June 30, 1939.

[13] Continued available to June 30, 1941, by Public Works Administration Appropriation Act of 1938.

[14] Unobligated balances amounting to $19,467,355.44 continued available to the Works Progress Administration until June 30, 1939, to augment new appropriation of $1,425,000,000 contained in sec. 1 of the Emergency Relief Appropriation Act of 1938 and unobligated balances amounting to $893,109.39 continued available to the Works Progress Administration for the National Youth Administration until June 30, 1939, to augment new appropriation of $75,000,000 contained in sec. 1 of the Emergency Relief Appropriation Act of 1938.

[15] Includes $13,838,143.94 of allocations not shown on p. 4 of Treasury daily statement of June 30, 1938.

[16] Although not available for obligation after June 30, 1938, this fund has been reserved for adjustments in obligations heretofore reported and for obligations incurred prior to June 30, 1938, but not as yet reported by the administrative agencies.

[17] For sources of funds made available see "Appropriation account" below:

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Appropriation account	1935 act, Apr. 8, 1935	1936 act, June 22, 1936, and Feb. 9, 1937	1937 act, June 29, 1937, and Mar. 2, 1938	Total
Available funds:				
Credits:				
Specific appropriations	$4,000,000,000.00	$2,214,000,000.00	$1,750,000,000.00	$7,964,000,000.00
Unexpended balances transferred:				
From Reconstruction Finance Corporation	500,000,000.00			500,000,000.00
From funds provided in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934:				
From funds to meet the emergency and necessity for relief in stricken agricultural areas	39,124,759.65		1,240,000.00	40,364,759.65
From funds for emergency relief and public work	47,704,412.27		2,630,000.00	50,334,412.27
From appropriation for national industrial recovery, contained in the Fourth Deficiency Act, fiscal year 1933	84,769,354.29		6,202,961.75	90,972,316.04
From appropriation for emergency relief and civil works, contained in the act approved Feb. 15, 1934	7,431,542.23		270,000.00	7,701,542.23
From remainder of the unobligated moneys for public works referred to in sec. 4 of the act approved Mar. 31, 1933	21,527,113.76			21,527,113.76
From funds established pursuant to sec. 15 (f) of the Agricultural Adjustment Act of May 12, 1933, amended May 9, 1934	12,921,502.64			12,921,502.64
Total amount made available by Congress	4,713,478,684.84	2,214,000,000.00	1,760,342,961.75	8,687,821,646.59
Transfers from the Emergency Relief Appropriation Act of 1935		139,500,000.00	34,977,007.25	174,477,007.25
Transfers from the Emergency Relief Appropriation Act of 1936			114,732,767.47	114,732,767.47
Total	4,713,478,684.84	2,353,500,000.00	1,910,052,736.47	8,977,031,421.31
Charges:				
Transfers to the Emergency Relief Appropriation Act of 1936	*−139,500,000.00*			*−139,500,000.00*
Transfer to regular appropriation of War Department, Corps of Engineers, act of July 19, 1937			*−7,500,000.00*	*−7,500,000.00*
Transfer to regular appropriation of War Department, Corps of Engineers, act of June 11, 1938			*−24,000,000.00*	*−24,000,000.00*
Transfers to the Emergency Relief Appropriation Act of 1937	*−34,977,007.25*	*−114,732,767.47*		*−149,709,774.72*
Net amount to be accounted for	4,539,001,677.59	2,238,767,232.53	1,878,552,736.47	8,656,321,646.59
Expenditures (checks issued)	4,411,110,923.47	2,222,401,408.26	1,652,801,495.46	8,286,313,827.19
Unexpended balances	127,890,754.12	16,365,824.27	225,751,241.01	370,007,819.40
Analysis of unexpended balances:				
Unallocated by the President	200,000.00	500,000.00	500,000.00	1,200,000.00
Unobligated Presidential allocations:				
Available for obligation	24,631,211.54	6,200,000.00	58,335,116.79	89,166,328.33
Not available for obligation [18]	1,490,801.16	2,264,302.72	8,516,292.05	12,271,395.93
Total unobligated balances	26,322,012.70	8,964,302.72	67,351,408.84	102,637,724.26
Unliquidated obligations	101,568,741.42	7,401,521.55	158,399,832.17	267,370,095.14
Total unexpended balances	127,890,754.12	16,365,824.27	225,751,241.01	370,007,819.40

[18] These funds are not available for allocation or obligation after June 30, 1938. However, such balances are subject to adjustment for obligations which were incurred prior to expiration of appropriations and which were not heretofore reported by the respective administrative agencies.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

PUBLIC DEBT

Public debt outstanding

TABLE 25.—*Public debt outstanding June 30, 1938, by issues*

[On basis of daily Treasury statements (revised), see p. 351]

Detail	Amount issued	Amount retired	Amount outstanding		
INTEREST-BEARING DEBT					
Bonds:					
3% Panama Canal loan of 1961	$50,000,000.00	$200,000.00		$49,800,000.00	
3% conversion bonds of 1946–47	28,894,500.00			28,894,500.00	
2½% postal savings bonds (15th to 49th series)	118,068,240.00	2,820.00		118,065,420.00	
					$196,759,920.00
Treasury bonds:					
4¼% bonds of 1947–52	763,962,300.00	5,016,500.00		758,945,800.00	
4% bonds of 1944–54	1,047,088,500.00	10,395,600.00		1,036,692,900.00	
3¾% bonds of 1946–56	494,898,100.00	5,818,000.00		489,080,100.00	
3⅜% bonds of 1943–47	494,854,750.00	40,719,550.00		454,135,200.00	
3⅜% bonds of 1940–43	359,042,950.00	6,049,500.00		352,993,450.00	
3⅜% bonds of 1941–43	594,230,050.00	49,360,000.00		544,870,050.00	
3⅛% bonds of 1946–49	821,406,000.00	2,779,000.00		818,627,000.00	
3% bonds of 1951–55	800,424,000.00	44,990,500.00		755,433,500.00	
3¼% bonds of 1941	835,043,100.00	589,900.00		834,453,200.00	
3¼% bonds of 1943–45	1,401,138,500.00	610,250.00		1,400,528,250.00	
3¼% bonds of 1944–46	1,518,858,800.00	121,150.00		1,518,737,650.00	
3% bonds of 1946–48	1,035,885,050.00	10,650.00		1,035,874,400.00	
3⅛% bonds of 1949–52	491,377,100.00	2,000.00		491,375,100.00	
2⅞% bonds of 1955–60	2,611,156,200.00	61,050.00		2,611,095,150.00	
2¾% bonds of 1945–47	1,214,453,900.00	24,950.00		1,214,428,950.00	
2¾% bonds of 1948–51	1,223,496,850.00	1,000.00		1,223,495,850.00	
2¾% bonds of 1951–54	1,626,688,150.00	1,000.00		1,626,687,150.00	
2¾% bonds of 1956–59	981,848,050.00	21,000.00		981,827,050.00	
2½% bonds of 1949–53	1,786,504,050.00	357,400.00		1,786,146,650.00	
2½% bonds of 1945	540,843,550.00			540,843,550.00	
2½% bonds of 1948	450,978,400.00			450,978,400.00	
2¾% bonds of 1958–63	918,780,600.00			918,780,600.00	
					21,846,029,950.00
United States savings bonds:[1]					
Series A–1935	214,842,472.00	33,398,235.25		181,444,236.75	
Series B–1936	380,951,236.00	46,236,669.50		334,714,566.50	
Series C–1937	472,951,901.25	31,716,578.75		441,235,322.50	
Series C–1938	233,581,668.75	3,628,893.75		229,952,775.00	
Unclassified sales	53,085,154.40			53,085,154.40	
					1,240,432,055.15
3% adjusted service bonds of 1945	1,822,092,350.00	1,503,391,200.00		318,701,150.00	
4½% adjusted service bonds (Government life insurance fund, series 1946)	500,157,956.40			500,157,956.40	
					818,859,106.40

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Treasury notes:					
2½%, series D–1938	596,416,100.00	578,677,400.00	$17,738,700.00		
1¼%, series E–1938	433,460,900.00		433,460,900.00		
2½%, series A–1939	1,293,714,200.00		1,293,714,200.00		
1⅜%, series B–1939	526,233,000.00	500.00	526,232,500.00		
1½%, series C–1939	941,613,750.00		941,613,750.00		
1⅜%, series D–1939	426,554,600.00		426,554,600.00		
1⅝%, series A–1940	1,378,364,200.00		1,378,364,200.00		
1½%, series B–1940	738,428,400.00		738,428,400.00		
1½%, series C–1940	737,161,600.00		737,161,600.00		
1½%, series A–1941	676,707,600.00		676,707,600.00		
1⅜%, series B–1941	503,877,500.00		503,877,500.00		
1¼%, series C–1941	204,425,400.00		204,425,400.00		
1¾%, series A–1942	426,349,500.00		426,349,500.00		
2%, series B–1942	342,143,300.00		342,143,300.00		
1¾%, series C–1942	232,375,200.00		232,375,200.00		
1⅛%, series A–1943	267,775,600.00		267,775,600.00		
				9,146,922,950.00	
3% old-age reserve account, series 1941 to 1943	662,300,000.00			662,300,000.00	
3% railroad retirement account, series 1942 and 1943	81,200,000.00	15,000,000.00		66,200,000.00	
4% civil service retirement fund, series 1939 to 1943	388,900,000.00			388,900,000.00	
4% foreign service retirement fund, series 1939 to 1943	3,328,000.00			3,328,000.00	
4% Canal Zone retirement fund, series 1940 to 1943	3,711,000.00	49,000.00		3,662,000.00	
4% Alaska Railroad retirement fund, series 1941 to 1943	327,000.00			327,000.00	
2% Postal Savings System series, maturing June 30, 1940 and 1942	55,000,000.00	10,000,000.00		45,000,000.00	
2% Federal Deposit Insurance Corporation series, maturing Dec. 1, 1939 and 1942	125,000,000.00	40,000,000.00		85,000,000.00	
2% Government life insurance fund, series 1942	23,000,000.00			23,000,000.00	
					10,424,639,950.00
Certificates of indebtedness, special:					
4% adjusted service certificate fund, series 1939	32,000,000.00	6,200,000.00		25,800,000.00	
2½% unemployment trust fund, series 1939	872,000,000.00			872,000,000.00	
					897,800,000.00
Treasury bills (maturity value), series maturing—					
July 6, 1938	50,090,000.00			50,090,000.00	
Do	100,325,000.00			100,325,000.00	
July 13, 1938	50,103,000.00			50,103,000.00	
Do	100,188,000.00			100,188,000.00	
July 20, 1938	50,025,000.00			50,025,000.00	
Do	100,420,000.00			100,420,000.00	
July 27, 1938	50,050,000.00			50,050,000.00	
Aug. 3, 1938	50,021,000.00			50,021,000.00	
Aug. 10, 1938	50,109,000.00			50,109,000.00	
Aug. 17, 1938	50,269,000.00			50,269,000.00	
Aug. 24, 1938	50,409,000.00			50,409,000.00	

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 25.—*Public debt outstanding June 30, 1938, by issues*—Continued

Detail	Amount issued	Amount retired	Amount outstanding		
INTEREST-BEARING DEBT—continued					
Treasury bills (maturity value), series maturing—Continued.					
Aug. 31, 1938	$50,020,000.00			$50,020,000.00	
Sept. 7, 1938	100,189,000.00			100,189,000.00	
Sept. 14, 1938	100,701,000.00			100,701,000.00	
Sept. 21, 1938	101,150,000.00			101,150,000.00	
Sept. 28, 1938	100,095,000.00			100,095,000.00	
					$1,154,164,000.00
Total interest-bearing debt outstanding					36,578,684,981.55
MATURED DEBT ON WHICH INTEREST HAS CEASED (PAYABLE ON PRESENTATION)					
Old debt matured, issued prior to April 1, 1917 [2]				3,911,540.26	
2½% postal savings bonds				43,820.00	
3½, 4, and 4¼% First Liberty loan of 1932–47				14,774,900.00	
4 and 4¼% Second Liberty loan of 1927–42				1,323,500.00	
4¼% Third Liberty loan of 1928				2,129,950.00	
4¼% Fourth Liberty loan of 1933–38				23,314,550.00	
3¾ and 4¾% Victory notes of 1922–23				666,250.00	
Treasury notes, at various interest rates				22,240,350.00	
Certificates of indebtedness, at various interest rates				4,954,850.00	
Treasury bills				67,749,000.00	
Treasury savings certificates				241,800.00	
Total outstanding matured debt on which interest has ceased					141,350,510.26
DEBT BEARING NO INTEREST (PAYABLE ON PRESENTATION)					
Obligations required to be reissued when redeemed:					
United States notes			$346,681,016.00		
Less gold reserve			156,039,430.93		
				190,641,585.07	
Obligations that will be retired on presentation:					
Old demand notes				53,012.50	
National bank notes and Federal Reserve bank notes assumed by the United States on deposit of lawful money for their retirement				251,527,461.50	
Fractional currency				1,978,715.78	
Thrift and Treasury savings stamps, unclassified sales, etc				3,251,184.64	
Total outstanding debt bearing no interest					447,451,959.49
Total gross debt [3]					37,167,487,451.30

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Matured interest obligations, etc.:					
Matured interest obligations outstanding				51,318,251.51	
Discount accrued on Treasury (war) savings certificates, matured series				3,529,515.00	
Settlement warrant checks outstanding				554,613.05	
Disbursing officers' checks outstanding, and balances in certain checking accounts of governmental agencies				828,255,810.40	
					883,658,189.96
					38,051,145,641.26
Balance held by the Treasurer of the United States as per daily Treasury statement for June 30, 1938				2,215,917,913.00	
Deduct net excess of disbursements over receipts in reports subsequently received				19,292,698.95	
					2,196,625,214.05
Net debt, including matured interest obligations, etc.[4]					35,854,520,427.21

[1] Amounts issued and retired include accrued discount, and amounts outstanding are stated at current redemption value.

[2] For detailed information and amounts outstanding June 30, 1929, see table 24 in annual report for 1929, p. 456. For amounts retired subsequent to 1929, see table 35, p. 505 of this report and corresponding tables in reports for 1930 to 1937.

[3] The total gross debt June 30, 1938, on the basis of daily Treasury statement was $37,164,740,315.45, and the net amount of public debt redemptions and receipts in transit, etc., was $2,747,135.85.

[4] No deduction is made on account of obligations of foreign governments or other investments.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 26.—*Description of the public debt issues outstanding June 30, 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Title and authorizing act	Date of loan	When redeemable or payable	Rate of interest [1]	Interest payment date	Average price received	Amount authorized	Amount issued	Amount outstanding
INTEREST-BEARING DEBT								
PANAMA CANAL LOAN [6]								
Acts of Aug. 5, 1909 (36 Stat. 117); Feb. 4, 1910 (36 Stat. 192); and Mar. 2, 1911 (36 Stat. 1013).	June 1, 1911	On June 1, 1961	*Percent* 3	Mar., June, Sept., and Dec. 1.	$102.582	$290,569,000.00	$50,000,000.00	$49,800,000.00
POSTAL SAVINGS BONDS [6]								
Act of June 25, 1910 (36 Stat. 817).	Jan. 1, July 1, 1918-35.	On and after 1 year, 20 years from issue.	2½	Jan. and July 1	Par	Indefinite	118,068,240.00	118,065,420.00
CONVERSION BONDS [6]								
Act. of Dec. 23, 1913 (38 Stat. 269).	Jan. 1, 1916 and 1917.	30 years from issue	3	Jan., Apr., July, and Oct. 1.	Exchange at par		28,894,500.00	28,894,500.00
TREASURY BONDS [7]								
Act of Sept. 24, 1917 (40 Stat. 288), as amended:								
4¼% bonds of 1947-52	Oct. 16, 1922	On and after Oct. 15, 1947; on Oct. 15, 1952.	4¼	Apr. and Oct. 15	Par	Bonds not to exceed in the aggregate $30,000,000,000 outstanding at any one time. Bonds, certificates of indebtedness, Treasury bills, and notes not to exceed in the aggregate $45,000,000,000 outstanding at any one time.	511,864,000.00	758,945,800.00
					Exchange at par		252,098,300.00	
					Par		224,513,500.00	
4% bonds of 1944-54	Dec. 15, 1924	On and after Dec. 15, 1944; on Dec. 15, 1954.	4	June and Dec. 15	Exchange at par		532,420,300.00	1,036,692,900.00
					$100.50		290,154,700.00	
3¾% bonds of 1946-56	Mar. 15, 1926	On and after Mar. 15, 1946; on Mar. 15, 1956.	3¾	Mar. and Sept. 15	$100.50		494,898,100.00	489,080,100.00
3⅜% bonds of 1943-47	June 15, 1927	On and after June 15, 1943; on June 15, 1947.	3⅜	June and Dec. 15	$100.50		249,598,300.00	454,135,200.00
					Exchange at par		245,256,450.00	
3⅜% bonds of 1940-43	July 16, 1928	On and after June 15, 1940; on June 15, 1943.	3⅜	do	Par		251,521,400.00	352,993,450.00
					Exchange at par		107,521,550.00	
3⅜% bonds of 1941-43	Mar. 16, 1931	On and after Mar. 15, 1941; on Mar. 15, 1943.	3⅜	Mar. and Sept. 15	do		594,230,050.00	544,870,050.00
3⅛% bonds of 1946-49	June 15, 1931	On and after June 15, 1946; on June 15, 1949.	3⅛	June and Dec. 15	Par		821,406,000.00	818,627,000.00
3% bonds of 1951-55	Sept. 15, 1931	On and after Sept. 15, 1951; on Sept. 15, 1955.	3	Mar. and Sept. 15	do		800,424,000.00	755,433,500.00
3¼% bonds of 1941	Aug. 15, 1933	On Aug. 1, 1941	3¼	Feb. and Aug. 1	do		603,985,600.00	834,453,200.00
					Exchange at par		231,057,500.00	
3¼% bonds of 1943-45 [2]	Oct. 15, 1933	On and after Oct. 15, 1943; on Oct. 15, 1945.	[2] 3¼	Apr. and Oct. 15	$101.50		500,421,950.00	1,400,528,250.00
					Exchange at par		900,716,550.00	

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

3¼% bonds of 1944-46	Apr. 16, 1934	On and after Apr. 15, 1944; on Apr. 15, 1946.	3¼	do	do	1,518,858,800.00	1,518,737,650.00
3% bonds of 1946-48	June 15, 1934	On and after June 15, 1946; on June 15, 1948.	3	June and Dec. 15	Par Exchange at par $103.125 $103.5625	507,477,950.00 317,030,100.00 98,708,000.00 112,669,000.00	1,035,874,400.00
3⅛% bonds of 1949-52	Dec. 15, 1934	On and after Dec. 15, 1949; on Dec. 15, 1952.	3⅛	do	Par	491,377,100.00	491,375,100.00
2⅞% bonds of 1955-60	Mar. 15, 1935	On and after Mar. 15, 1955; on Mar. 15, 1960.	2⅞	Mar. and Sept. 15	Exchange at par and $100.50. $101.59375 $101.56250 $100.78125	2,304,429,200.00 101,971,000.00 106,541,000.00 98,215,000.00	2,611,095,150.00
2¾% bonds of 1945-47	Sept. 16, 1935	On and after Sept. 15, 1945; on Sept. 15, 1947.	2¾	do	Exchange at par Par	568,717,800.00 645,736,100.00	1,214,428,950.00
2¾% bonds of 1948-51	Mar. 16, 1936	On and after Mar. 15, 1948; on Mar. 15, 1951.	2¾	do	do Exchange at par	727,033,950.00 496,462,900.00	1,223,495,850.00
2¾% bonds of 1951-54	June 15, 1936	On and after June 15, 1951; on June 15, 1954.	2¾	June and Dec. 15	Par Exchange at par	1,290,756,650.00 335,931,500.00	1,626,687,150.00
2¾% bonds of 1956-59	Sept. 15, 1936	On and after Sept. 15, 1956; on Sept. 15, 1959.	2¾	Mar. and Sept. 15	Par	981,848,050.00	981,827,050.00
2½% bonds of 1949-53	Dec. 15, 1936	On and after Dec. 15, 1949; on Dec. 15, 1953.	2½	June and Dec. 15	do Exchange at par	1,006,641,950.00 779,862,100.00	1,786,146,650.00
2½% bonds of 1945	Dec. 15, 1937	On Dec. 15, 1945	2½	do	Par Exchange at par	293,513,250.00 247,330,300.00	540,843,550.00
2½% bonds of 1948	Mar. 15, 1938	On Sept. 15, 1948	2½	Mar. and Sept. 15	Par	450,978,400.00	450,978,400.00
2¾% bonds of 1958-63	June 15, 1938	On and after June 15, 1958; on June 15, 1963.	2¾	June and Dec. 15	do Exchange at par	571,736,200.00 347,044,400.00	918,780,600.00
UNITED STATES SAVINGS BONDS [6]							
Act of Sept. 24, 1917 (40 Stat. 288), as amended:							
Series A-1935	Various dates from Mar. 1, 1935.	After 60 days from issue date; 10 years from issue date.	[3] 2.9	Sold at a discount; payable at par on maturity.	$75.00	214,842,472.00	181,444,236.75
Series B-1936	Various dates from Jan. 1, 1936.	do	[3] 2.9	do	$75.00	380,951,236.00	334,714,566.50
Series C-1937	Various dates from Jan. 1, 1937.	do	[3] 2.9	do	$75.00	472,951,901.25	441,235,322.50
Series C-1938	Various dates from Jan. 1, 1938.	do	[3] 2.9	do	$75.00	233,581,668.75	229,952,775.00
Unclassified sales	Various	do	[3] 2.9	do	$75.00	53,085,154.40	53,085,154.40

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 26.—*Description of the public debt issues outstanding June 30, 1938*—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Rate of interest [1]	Interest payment date	Average price received	Amount authorized	Amount issued	Amount outstanding
ADJUSTED SERVICE BONDS [9]								
Act of Sept. 24, 1917 (40 Stat. 288), as amended, and Adjusted Compensation Payment Act, 1936:								
3% bonds of 1945	June 15, 1936	On demand at option of holder; on June 15, 1945.	*Percent* 3	With principal (1) to date of maturity or (2) to date of prior redemption on and after June 15, 1937.	Par		$1,822,092,350.00	$318,701,150.00
4½% bonds (Government life insurance fund, series 1946).	do	On demand; on and after June 15, 1946.	4½	June 15	do		500,157,956.40	500,157,956.40
TREASURY NOTES [9]								
Act of Sept. 24, 1917 (40 Stat. 288), as amended:								
Series D-1938	Sept. 15, 1934	On Sept. 15, 1938	2½	Mar. and Sept. 15	Exchange at par		596,416,100.00	17,738,700.00
Series E-1938	Sept. 15, 1937	On Dec. 15, 1938	1¼	June and Dec. 15	do		433,460,900.00	433,460,900.00
Series A-1939	June 15, 1934	On June 15, 1939	2⅛	do	Par		1,293,714,200.00	1,293,714,200.00
Series B-1939	July 15, 1935	On Dec. 15, 1939	1⅜	do	do		526,233,000.00	526,232,500.00
Series C-1939	Sept. 16, 1935	On Mar. 15, 1939	1½	Mar. and Sept. 15.	Par	Bonds not to exceed in the aggregate $30,000,000,000 outstanding at any one time. Bonds, certificates of indebtedness, Treasury bills, and notes not to exceed in the aggregate $45,000,000,000 outstanding at any one time.	512,434,350.00	941,613,750.00
					Exchange at par		429,179,400.00	
Series D-1939	June 15, 1937	On Sept. 15, 1939	1⅜	do	Par		426,554,600.00	426,554,600.00
Series A-1940	Mar. 15, 1935	On Mar. 15, 1940	1⅜	do	do		513,884,200.00	1,378,364,200.00
					Exchange at par		864,480,000.00	
Series B-1940	June 15, 1935	On June 15, 1940	1½	June and Dec. 15.	Par		402,741,800.00	738,428,400.00
					Exchange at par		335,686,600.00	
Series C-1940	Dec. 16, 1935	On Dec. 15, 1940	1½	do	Par		737,161,600.00	737,161,600.00
Series A-1941	Mar. 16, 1936	On Mar. 15, 1941	1½	Mar. and Sept. 15.	do		628,625,600.00	676,707,600.00
					Exchange at par		48,082,000.00	
Series B-1941	June 15, 1936	On June 15, 1941	1⅜	June and Dec. 15.	Par		493,664,500.00	503,877,500.00
					Exchange at par		10,213,000.00	
Series C-1941	Dec. 15, 1936	On Dec. 15, 1941	1¼	do	Par		93,960,200.00	204,425,400.00
					Exchange at par		110,465,200.00	
Series A-1942	June 15, 1937	On Mar. 15, 1942	1¾	Mar. and Sept. 15.	Par		426,349,500.00	426,349,500.00
Series B-1942	Sept. 15, 1937	On Sept. 15, 1942	2	do	Exchange at par		342,143,300.00	342,143,300.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Series C–1942	Dec. 15, 1937	On Dec. 15, 1942	1¾	June and Dec. 15	Par Exchange at par	219,035,700.00 13,339,500.00	232,375,200.00
Series A–1943	June 15, 1938	On June 15, 1943	1⅛	do	Par Exchange at par	36,142,600.00 231,633,000.00	267,775,600.00
Old-age reserve account:							
Series 1941	Various dates from Jan. 1, 1937.	After 1 year from date of issue; on June 30, 1941.	3	June 30	Par	264,900,000.00	264,900,000.00
Series 1942	Various dates from June 30, 1937.	After 1 year from date of issue; on June 30, 1942.	3	do	do	382,000,000.00	382,000,000.00
Series 1943	June 30, 1938	After 1 year from date of issue; on June 30, 1943.	3	do	do	15,400,000.00	15,400,000.00
Railroad retirement account:							
Series 1942	Various dates from Aug. 6, 1937.	After 1 year from date of issue; on June 30, 1942.	3	do	do	80,000,000.00	65,000,000.00
Series 1943	June 30, 1938	After 1 year from date of issue; on June 30, 1943.	3	do	do	1,200,000.00	1,200,000.00
Civil service retirement fund:							
Series 1939	Various dates from June 30, 1934.	After 1 year from date of issue; on June 30, 1939.	4	do	do	45,200,000.00	45,200,000.00
Series 1940	Various dates from June 30, 1935.	After 1 year from date of issue; on June 30, 1940.	4	do	do	59,200,000.00	59,200,000.00
Series 1941	Various dates from June 30, 1936.	After 1 year from date of issue; on June 30, 1941.	4	do	do	97,900,000.00	97,900,000.00
Series 1942	Various dates from June 30, 1937.	After 1 year from date of issue; on June 30, 1942.	4	do	do	122,300,000.00	122,300,000.00
Series 1943	June 30, 1938	After 1 year from date of issue; on June 30, 1943.	4	do	do	64,300,000.00	64,300,000.00
Foreign service retirement fund:							
Series 1939	Various dates from June 30, 1934.	After 1 year from date of issue; on June 30, 1939.	4	do	do	657,000.00	657,000.00
Series 1940	Various dates from June 30, 1935.	After 1 year from date of issue; on June 30, 1940.	4	do	do	763,000.00	763,000.00
Series 1941	Various dates from June 30, 1936.	After 1 year from date of issue; on June 30, 1941.	4	do	do	659,000.00	659,000.00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 26.—*Description of the public debt issues outstanding June 30, 1938*—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Rate of interest	Interest payment date	Average price received	Amount authorized	Amount issued	Amount outstanding
TREASURY NOTES[9]—con.								
Act of Sept. 24, 1917 (40 Stat. 288), as amended—Continued.								
Foreign service retirement fund—Con.			*Percent*					
Series 1942	Various dates from June 30, 1937.	After 1 year from date of issue; on June 30, 1942.	4	June 30	Par		$885,000.00	$885,000.00
Series 1943	June 30, 1938	After 1 year from date of issue; on June 30, 1943.	4	do	do		364,000.00	364,000.00
Canal Zone retirement fund:								
Series 1940	Various dates from June 30, 1935.	After 1 year from date of issue; on June 30, 1940.	4	do	do		651,000.00	602,000.00
Series 1941	Various dates from June 30, 1936.	After 1 year from date of issue; on June 30, 1941.	4	do	do		2,317,000.00	2,317,000.00
Series 1942	Various dates from June 30, 1937.	After 1 year from date of issue; on June 30, 1942.	4	do	do		603,000.00	603,000.00
Series 1943	June 30, 1938	After 1 year from date of issue; on June 30, 1943.	4	do	do		140,000.00	140,000.00
Alaska Railroad retirement fund:						Bonds not to exceed in the aggregate $30,000,000,000 outstanding at any one time. Bonds, certificates of indebtedness, Treasury bills, and notes not to exceed in the aggregate $45,000,000,000 outstanding at any one time		
Series 1941	Various dates from Feb. 1, 1937.	After 1 year from date of issue; on June 30, 1941.	4	do	do		52,000.00	52,000.00
Series 1942	Various dates from July 1, 1937.	After 1 year from date of issue; on June 30, 1942.	4	do	do		265,000.00	265,000.00
Series 1943	June 30, 1938	After 1 year from date of issue; on June 30, 1943.	4	do	do		10,000.00	10,000.00
Postal Savings System:								
Series 1940	Nov. 5, 1935	After 1 year from date of issue; on June 30, 1940.	2	June 30, Dec. 31	do		30,000,000.00	20,000,000.00
Series 1942	Various dates from Jan. 8, 1938.	After 1 year from date of issue; on June 30, 1942.	2	do	do		25,000,000.00	25,000,000.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Federal Deposit Insurance Corporation:								
Series 1939	Dec. 1, 1934	After 1 year from date of issue; on Dec. 1, 1939.	2	June and Dec. 1	do		100,000,000.00	60,000,000.00
Series 1942	Various dates from Dec. 20, 1937.	After 1 year from date of issue; on Dec. 1, 1942.	2	do	do		25,000,000.00	25,000,000.00
Government life insurance fund, series 1942.	June 15, 1938	After 1 year from date of issue; on June 30, 1942.	2	June 30	do		23,000,000.00	23,000,000.00
CERTIFICATES OF INDEBTEDNESS [10]								
Act of Sept. 24, 1917 (40 Stat. 288), as amended, special:								
Adjusted service certificate fund, series 1939.	Jan. 1, 1938	On demand; on Jan. 1, 1939	4	Jan. 1	do		82,000,000.00	25,800,000.00
Unemployment trust fund, series 1939.	June 30, 1938	On demand; on June 30, 1939	2½	June 30, Dec. 31	do		72,000,000.00	872,000,000.00
TREASURY BILLS [10]								
Act of Sept. 24, 1917 (40 Stat. 288), as amended, series maturing—								
July 6, 1938	Oct. 6, 1937	On July 6, 1938	0.436	Sold at a discount; payable at par on maturity.	$99.669		50,090,000.00	50,090,000.00
Do	Apr. 6, 1938	do	.139		$99.965		100,325,000.00	100,325,000.00
July 13, 1938	Oct. 13, 1937	On July 13, 1938	.429		$99.675		50,103,000.00	50,103,000.00
Do	Apr. 13, 1938	do	.146		$99.963		100,188,000.00	100,188,000.00
July 20, 1938	Oct. 20, 1937	On July 20, 1938	.362		$99.725		50,025,000.00	50,025,000.00
Do	Apr. 20, 1938	do	.061		$99.985		100,420,000.00	100,420,000.00
July 27, 1938	Apr. 27, 1938	On July 27, 1938	.037		$99.991		50,050,000.00	50,050,000.00
Aug. 3, 1938	May 4, 1938	On Aug. 3, 1938	.033		$99.992		50,021,000.00	50,021,000.00
Aug. 10, 1938	May 11, 1938	On Aug. 10, 1938	.029		$99.993		50,109,000.00	50,109,000.00
Aug. 17, 1938	May 18, 1938	On Aug. 17, 1938	.027		$99.993		50,269,000.00	50,269,000.00
Aug. 24, 1938	May 25, 1938	On Aug. 24, 1938	.025		$99.994		50,409,000.00	50,409,000.00
Aug. 31, 1938	June 1, 1938	On Aug. 31, 1938	.025		$99.994		50,020,000.00	50,020,000.00
Sept. 7, 1938	June 8, 1938	On Sept. 7, 1938	.040		$99.990		100,189,000.00	100,189,000.00
Sept. 14, 1938	June 15, 1938	On Sept. 14, 1938	.027		$99.993		100,701,000.00	100,701,000.00
Sept. 21, 1938	June 22, 9138	On Sept. 21, 1938	.016		$99.996		101,150,000.00	101,150,000.00
Sept. 28, 1938	June 29, 1938	On Sept. 28, 1938	.011		$99.997		100,095,000.00	100,095,000.00
Total interest-bearing debt.								36,578,684,981.55

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 26.—*Description of the public debt issues outstanding June 30, 1938*—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Rate of interest [1]	Interest payment date	Average price received	Amount authorized	Amount issued	Amount outstanding
MATURED DEBT ON WHICH INTEREST HAS CEASED								
OLD DEBT [4]								
Matured prior to Apr. 6, 1917.			*Percent*					$1,262,270.26
LOAN OF 1908–18								
Act of June 13, 1898 (30 Stat. 467).	1898	On Aug. 1, 1918	3				$198,792,660.00	151,720.00
LOAN OF 1925								
Acts of July 14, 1870 (16 Stat. 272), as amended; Jan. 14, 1875 (18 Stat. 296).	Feb. 1, 1895	After Feb. 1, 1925	4				162,315,400.00	58,300.00
CONSOLS OF 1930								
Act of Mar. 14, 1900 (31 Stat. 48).	Apr. 1, 1900	Called for redemption July 1, 1935.	2				646,250,150.00	2,261,950.00
PANAMA CANAL LOAN								
Acts of June 28, 1902 (32 Stat. 484), and Dec. 21, 1905 (34 Stat. 5).	Aug. 1, 1906	Called for redemption Aug. 1, 1935.	2				54,631,980.00	92,240.00
	Nov. 1, 1908	do	2				30,000,000.00	85,060.00
POSTAL SAVINGS BONDS								
Act of June 25, 1910 (36 Stat. 817).	Jan. 1, July 1, 1911–18.	20 years from date	2½				11,060,700.00	43,820.00
FIRST LIBERTY LOAN								
First 3½'s, act of Apr. 24, 1917 (40 Stat. 35).	June 15, 1917	Called for redemption June 15, 1935.	3½				1,989,455,550.00	10,421,050.00
First 4's, acts of Apr. 24, 1917 (40 Stat. 35), Sept. 24, 1917 (40 Stat. 292), as amended.	Nov. 15, 1917	do	4				568,318,450.00	192,600.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

First 4¼'s, acts of Apr. 24, 1917 (40 Stat. 35), Sept. 24, 1917 (40 Stat. 292), as amended.	May 9, 1918	do	4¼				555, 212, 300. 00	4, 140, 400. 00
First-second 4¼'s, acts of Apr. 24, 1917 (40 Stat. 35), Sept. 24, 1917 (40 Stat. 292), as amended.	Oct. 24, 1918	do	4¼				3, 492, 150. 00	20, 850. 00
SECOND LIBERTY LOAN								
Second 4's, act of Sept. 24, 1917 (40 Stat. 288).	Nov. 15, 1917	Called for redemption Nov. 15, 1927.	4				3, 807, 865, 000. 00	515, 400. 00
Second 4¼'s, act of Sept. 24, 1917 (40 Stat. 288), as amended.	May 9, 1918	do	4¼				3, 707, 936, 200. 00	808, 100. 00
THIRD LIBERTY LOAN								
Act of Sept. 24, 1917 (40 Stat. 288), as amended.	do	On Sept. 15, 1928	4½				4, 175, 650, 050. 00	2, 129, 950. 00
FOURTH LIBERTY LOAN								
Act of Sept. 24, 1917 (40 Stat. 288), as amended.	Oct. 24, 1918	Bonds with final digits 1, 9, and 0 called for redemption Apr. 15, 1934; bonds with final digits 2 and 8 called for redemption Oct. 15, 1934; bonds with final digits 5, 6, and 7 called for redemption Apr. 15, 1935; and bonds with final digits 3 and 4 called for redemption Oct. 15, 1935.	4¼				6, 964, 581, 100. 00	23, 314, 550. 00
VICTORY NOTES								
Victory notes 3¾	May 20, 1919	Called for redemption June 15, 1922.	3¾					10, 900. 00
Victory notes 4¾	do	Symbols A to F called for redemption Dec. 15, 1922; balance of loan matured May 20, 1923.	4¾					655, 350. 00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 26.—*Description of the public debt issues outstanding June 30, 1938*—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Rate of interest [1]	Interest payment date	Average price received	Amount authorized	Amount issued	Amount outstanding
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued								
TREASURY NOTES			*Percent*					
Series A-1924	June 15, 1921	On June 15, 1924	5¾				$311, 191, 600. 00	$17, 200. 00
Series A-1925	Feb. 1, 1922	On Mar. 15, 1925	4¾				601, 599, 500. 00	9, 000. 00
Series A-1926	Mar. 15, 1922	On Mar. 15, 1926	4¾				617, 769, 700. 00	2, 800. 00
Series B-1925	June 15, 1922	On Dec. 15, 1925	4⅜				335, 141, 300. 00	30, 900. 00
Series B-1926	Aug. 1, 1922	On Sept. 15, 1926	4¼				486, 940, 100. 00	7, 300. 00
Series C-1925	Dec. 15, 1922	On June 15, 1925	4½				469, 213, 200. 00	14, 100. 00
Series A-1927	Jan. 15, 1923	On Dec. 15, 1927	4½				366, 931, 500. 00	15, 100. 00
Series B-1927	May 15, 1923	On Mar. 15, 1927	4¾				663, 201, 400. 00	25, 300. 00
Series A-1930-32	Mar. 15, 1927	Called Mar. 15, 1931	3½				1, 360, 456, 450. 00	155, 000. 00
Series B-1930-32	Sept. 15, 1927	do	3½				619, 495, 700. 00	90, 050. 00
Series C-1930-32	Jan. 16, 1928	Called Dec. 15, 1931	3½				607, 399, 650. 00	76, 700. 00
Series 1932	Dec. 15, 1931	On Dec. 15, 1932	3¼				600, 446, 200. 00	132, 200. 00
Series A-1934	May 2, 1932	On May 2, 1934	3				244, 234, 600. 00	99, 200. 00
Series A-1935	June 15, 1932	On June 15, 1935	3				416, 602, 800. 00	458, 300. 00
Series B-1934	Aug. 1, 1932	On Aug. 1, 1934	2⅛				345, 292, 600. 00	67, 000. 00
Series A-1936	do	On Aug. 1, 1936	3¼				365, 138, 000. 00	257, 900. 00
Series A-1937	Sept. 15, 1932	On Sept. 15, 1937	3¼				334, 401, 500. 00	1, 532, 000. 00
Series B-1937	Oct. 15, 1932	On Apr. 15, 1937	3				508, 328, 900. 00	502, 000. 00
Series B-1936	Dec. 15, 1932	On Dec. 15, 1936	2¾				360, 533, 200. 00	529, 000. 00
Series A-1938	Feb. 1, 1933	On Feb. 1, 1938	2⅝				277, 516, 600. 00	1, 286, 800. 00
Series C-1936	May 2, 1933	On Apr. 15, 1936	2⅞				572, 419, 200. 00	469, 400. 00
Series B-1938	June 15, 1933	On June 15, 1938	2⅞				623, 911, 800. 00	3, 533, 000. 00
Series B-1935	Aug. 15, 1933	On Aug. 1, 1935	1⅝				353, 865, 000. 00	11, 214, 200. 00
Series C-1935	Jan. 29, 1934	On Mar. 15, 1935	2½				528, 101, 600. 00	125, 000. 00
Series D-1935	Feb. 19, 1934	On Dec. 15, 1935	2½				418, 291, 900. 00	286, 600. 00
Series C-1937	do	On Feb. 15, 1937	3				428, 730, 700. 00	199, 400. 00
Series C-1938	Mar. 15, 1934	On Mar. 15, 1938	3				455, 175, 500. 00	713, 000. 00
Series D-1936	Sept. 15, 1934	On Sept. 15, 1936	1½				514, 066, 000. 00	229, 500. 00
Series E-1936	Dec. 15, 1934	On June 15, 1936	1⅛				686, 616, 400. 00	112, 400. 00
CERTIFICATES OF INDEBTEDNESS								
Certificates of indebtedness	Various	Various	Various					4, 954, 850. 00
TREASURY BILLS								
Treasury bills	do	do	do					67, 749, 000. 00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TREASURY SAVINGS CERTIFICATES								
Issue of Dec. 15, 1921	Dec. 15, 1921	5 years from date of issue	3½–4½				138, 288, 376. 20	40, 800. 00
Issue of Sept. 30, 1922	Sept. 30, 1922	do	3 –4				205, 662, 045. 20	128, 750. 00
Issue of Dec. 1, 1923	Dec. 1, 1923	do	3½–4½				159, 511, 791. 25	72, 250. 00
Total matured debt on which interest has ceased.								141, 350, 510. 26

Detail	Authorized to be outstanding at one time	Issues on deposits, including reissues	Authorized to be outstanding at present time	Amount outstanding
NONINTEREST-BEARING DEBT				
OLD DEMAND NOTES				
Acts of July 17, 1861 (12 Stat. 259); Aug. 5, 1861 (12 Stat. 313); Feb. 12, 1862 (12 Stat. 338)	$60, 000, 000. 00	$60, 030, 000. 00		$53, 012. 50
FRACTIONAL CURRENCY				
Acts of July 17, 1862 (12 Stat. 592); Mar. 3, 1863 (12 Stat. 711); June 30, 1864 (13 Stat. 220)	50, 000, 000. 00	368, 724, 080. 00		[5] 1, 978, 715. 78
LEGAL TENDER NOTES				
Acts of Feb. 25, 1862 (12 Stat. 345); July 11, 1862 (12 Stat. 532); Mar. 3, 1863 (12 Stat. 710); May 31, 1878 (20 Stat. 87); Mar. 14, 1900 (31 Stat. 45); Mar. 4, 1907 (34 Stat. 1290)	450, 000, 000. 00		$346, 681, 016. 00	346, 681, 016. 00
NATIONAL BANK NOTES (REDEMPTION ACCOUNT)				
The act of July 14, 1890 (26 Stat. 289), provides that balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption, * * * and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debts of the United States bearing no interest	Indefinite			251, 527, 461. 50
Thrift and Treasury savings stamps, unclassified sales, etc				3, 251, 184. 64
Total noninterest-bearing debt				603, 491, 390. 42
Total debt				37, 323, 526, 882. 23
Less gold reserve				156, 039, 430. 93
Gross debt as shown on statement of the public debt June 30, 1938				37, 167, 487, 451. 30

Footnotes on page 486.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 26.—*Description of the public debt issues outstanding June 30, 1938*—Continued

[1] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.
[2] This issue bore interest at the rate of 4¼ percent from Oct. 15, 1933, to Oct. 15, 1934, and thereafter at the rate of 3¼ percent.
[3] Approximate yield if held to maturity.
[4] For detailed information and amounts outstanding June 30, 1929, see table 24 in annual report for 1929, p. 456. For amounts retired subsequent to 1929, see table 35, p. 505 of this report and corresponding tables in reports for 1930 to 1937.
[5] After deducting amounts officially estimated to have been lost or irrevocably destroyed.

TAX EXEMPTIONS:

[6] Exempt from the payment of all taxes or duties of the United States, as well as from all taxation in any form by or under State, municipal, or local authority. (The Supreme Court has held that this exemption does not extend to estate or inheritance taxes imposed by Federal or State authority.)

[7] Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (*a*) estate or inheritance taxes, and (*b*) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the act approved Sept. 24, 1917, as amended, the principal of which does not exceed in the aggregate $5,000 owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (*b*) above.

[8] Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (*a*) estate or inheritance taxes, and (*b*) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the act approved Sept. 24, 1917, as amended, the principal of which does not exceed in the aggregate $5,000 owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (*b*) above. For the purposes of determining taxes and tax exemptions, the increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest.

Attention is invited to Treasury Decision 4550 ruling that bonds, notes, bills, and certificates of indebtedness of the Federal Government or its agencies, and the interest thereon, are not exempt from the gift tax.

[9] Exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

[10] Exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority; and the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest within the meaning referred to herein.

Any gain from the sale or other disposition of Treasury bills shall be exempt from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority; and no loss from the sale or other disposition of such Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

In hands of foreign holders.—Bonds, notes, and certificates of indebtedness of the United States, shall while beneficially owned by a nonresident alien individual, or a foreign corporation, partnership, or association, not engaged in business in the United States, be exempt both as to principal and interest from any and all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

RECEIVABILITY IN PAYMENT OF CERTAIN TAXES:

Federal estate or inheritance taxes.—Treasury bonds and Treasury notes, bearing interest at a higher rate than 4 per centum per annum, which have been owned by any person continually for at least 6 months prior to the date of his death and which upon such date constitute part of his estate are receivable by the United States at par and accrued interest in payment of Federal estate taxes.

Federal income and profits taxes.—Treasury notes, Treasury certificates of indebtedness, and Treasury bills, maturing on tax payment dates, are receivable at par in payment of income and profits taxes payable at the maturity of the notes, certificates, or bills.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 27.—*Interest-bearing debt* [1] *outstanding June 30, 1938, classified according to kind of security and callable period or payable date*

[On basis of daily Treasury statements (revised), see p. 351]

Security	Callable period or payable date	Certificates of indebtedness and Treasury bills	Notes and bonds	Cumulative total
Adjusted service bonds [2]	July 1, 1938–June 15, 1945.		$318,701,150	$318,701,150
United States savings bonds: [3]				
Series A–1935	July 1, 1938–Dec. 31, 1945.		181,444,237	500,145,387
Series B–1936	July 1, 1938–Dec. 31, 1946.		334,714,567	834,859,954
Series C–1937	July 1, 1938–Dec. 31, 1947.		441,235,323	1,276,095,277
Series C–1938	July 1, 1938–June 30, 1948.		229,952,775	1,506,048,052
Unclassified sales			53,085,154	1,559,133,206
Postal savings bonds [4]	July 1, 1938–July 1, 1955.		118,065,420	1,677,198,626
Treasury bills	July 6, 1938	$150,415,000		1,827,613,626
Do	July 13	150,291,000		1,977,904,626
Do	July 20	150,445,000		2,128,349,626
Do	July 27	50,050,000		2,178,399,626
Do	Aug. 3	50,021,000		2,228,420,626
Do	Aug. 10	50,109,000		2,278,529,626
Do	Aug. 17	50,269,000		2,328,798,626
Do	Aug. 24	50,409,000		2,379,207,626
Do	Aug. 31	50,020,000		2,429,227,626
Do	Sept. 7	100,189,000		2,529,416,626
Do	Sept. 14	100,701,000		2,630,117,626
Treasury notes, series D–1938	Sept. 15		17,738,700	2,647,856,326
Treasury bills	Sept. 21	101,150,000		2,749,006,326
Do	Sept. 28	100,095,000		2,849,101,326
Treasury notes:				
Series E–1938	Dec. 15		433,460,900	3,282,562,226
Series C–1939	Mar. 15, 1939		941,613,750	4,224,175,976
Series A–1939	June 15		1,293,714,200	5,517,890,176
Series D–1939	Sept. 15		426,554,600	5,944,444,776
Series B–1939	Dec. 15		526,232,500	6,470,677,276
Series A–1940	Mar. 15, 1940		1,378,364,200	7,849,041,476
Series B–1940	June 15		738,428,400	8,587,469,876
Treasury bonds	June 15, 1940–43		352,993,450	8,940,463,326
Treasury notes:				
Series C–1940	Dec. 15, 1940		737,161,600	9,677,624,926
Series A–1941	Mar. 15, 1941		676,707,600	10,354,332,526
Treasury bonds	Mar. 15, 1941–43		544,870,050	10,899,202,576
Treasury notes, series B–1941	June 15, 1941		503,877,500	11,403,080,076
Treasury bonds	Aug. 1, 1941		834,453,200	12,237,533,276
Treasury notes:				
Series C–1941	Dec. 15, 1941		204,425,400	12,441,958,676
Series A–1942	Mar. 15, 1942		426,349,500	12,868,308,176
Series B–1942	Sept. 15		342,143,300	13,210,451,476
Series C–1942	Dec. 15		232,375,200	13,442,826,676
Series A–1943	June 15, 1943		267,775,600	13,710,602,276
Treasury bonds	June 15, 1943–47		454,135,200	14,164,737,476
Do	Oct. 15, 1943–45		1,400,528,250	15,565,265,726
Do	Apr. 15, 1944–46		1,518,737,650	17,084,003,376
Do	Dec. 15, 1944–54		1,036,692,900	18,120,696,276
Do	Sept. 15, 1945–47		1,214,428,950	19,335,125,226
Do	Dec. 15, 1945		540,843,550	19,875,968,776
3% conversion bonds	Jan. 1, 1946–47		28,894,500	19,904,863,276
Treasury bonds	Mar. 15, 1946–56		489,080,100	20,393,943,376
Do	June 15, 1946–48		1,035,874,400	21,429,817,776
Do	June 15, 1946–49		818,627,000	22,248,444,776
Do	Oct. 15, 1947–52		758,945,800	23,007,390,576
Do	Mar. 15, 1948–51		1,223,495,850	24,230,886,426
Do	Sept. 15, 1948		450,978,400	24,681,864,826
Do	Dec. 15, 1949–52		491,375,100	25,173,239,926
Do	Dec. 15, 1949–53		1,786,146,650	26,959,386,576
Do	June 15, 1951–54		1,626,687,150	28,586,073,726
Do	Sept. 15, 1951–55		755,433,500	29,341,507,226
Do	Mar. 15, 1955–60		2,611,095,150	31,952,602,376
Do	Sept 15, 1956–59		981,827,050	32,934,429,426
Do	June 15, 1958–63		918,780,600	33,853,210,026
Panamá's of 1961	June 1, 1961		49,800,000	33,903,010,026

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 27.—*Interest-bearing debt*[1] *outstanding June 30, 1938, classified according to kind of security and callable period or payable date*—Continued

Security	Callable period or payable date	Certificates of indebtedness and Treasury bills	Notes and bonds	Cumulative total
Special issues:[5]				
Adjusted service bonds, Government life insurance fund.	----------	----------	$500,157,956	$34,403,167,982
Treasury notes—Old-age reserve account; railroad retirement account; civil service, foreign service, Canal Zone, and Alaska Railroad retirement funds; Postal Savings System; Federal Deposit Insurance Corporation; and Government life insurance fund.	----------	----------	1,277,717,000	35,680,884,982
Certificates of indebtedness—adjusted service certificate fund and unemployment trust fund.	----------	$897,800,000	----------	36,578,684,982
Total	----------	2,051,964,000	34,526,720,982	----------

[1] Matured debt on which interest has ceased, payable upon presentation, amounted to approximately $141,350,510, of which $22,240,350 was Treasury notes; $4,954,850, certificates of indebtedness; $67,749,000, Treasury bills; $14,774,900, First Liberty loan bonds; $1,323,500, Second Liberty loan bonds; $2,129,950, Third Liberty loan bonds; and $23,314,550, Fourth Liberty loan bonds. Debt bearing no interest was $447,451,959.

[2] Redeemable at option of holder.

[3] Current redemption value. Redeemable at option of holder at any time after 60 days from issue date, payable 10 years after issue date. Redemption and maturity dates for all United States savings bonds outstanding fall within the period indicated.

[4] Callable 1 year from date of issue, payable 20 years from date of issue. Callable and payable dates for all issues of postal savings bonds outstanding fall within the period indicated.

[5] Special issues for funds administered by the Treasury. Maturities various and nominal.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 28.—*Principal of the public debt outstanding at the end of each fiscal year from 1853 to 1938* [1]

[On basis of daily Treasury statements (revised), see p. 351]

June 30—	Interest-bearing [2]	Matured	Noninterest-bearing [3]	Total gross debt	Gross debt per capita
1853	$59,642,412	$162,249		$59,804,661	$2.36
1854	42,044,517	199,248		42,243,765	1.62
1855	35,418,001	170,498		35,588,499	1.32
1856	31,805,180	168,901		31,974,081	1.15
1857	28,503,377	197,998		28,701,375	1.01
1858	44,743,256	170,168		44,913,424	1.53
1859	58,333,156	165,225		58,498,381	1.93
1860	64,683,256	160,575		64,843,831	2.06
1861	90,423,292	159,125		90,582,417	2.83
1862	365,356,045	230,520	$158,591,390	524,177,955	16.03
1863	707,834,255	171,970	411,767,456	1,119,773,681	33.56
1864	1,360,026,914	366,629	455,437,271	1,815,830,814	53.33
1865	2,217,709,407	2,129,425	458,090,180	2,677,929,012	77.07
1866	2,322,116,330	4,435,865	429,211,734	2,755,763,929	77.69
1867	2,238,954,794	1,739,108	409,474,321	2,650,168,223	73.19
1868	2,191,326,130	1,246,334	390,873,992	2,583,446,456	69.87
1869	2,151,495,065	5,112,034	388,503,491	2,545,110,590	67.41
1870	2,035,881,095	3,569,664	397,002,510	2,436,453,269	63.19
1871	1,920,696,750	1,948,902	399,406,489	2,322,052,141	58.70
1872	1,800,794,100	7,926,547	401,270,191	2,209,990,838	54.44
1873	1,696,483,950	51,929,460	402,796,935	2,151,210,345	51.62
1874	1,724,930,750	3,216,340	431,785,640	2,159,932,730	50.47
1875	1,708,676,300	11,425,570	436,174,779	2,156,276,649	49.06
1876	1,696,685,450	3,902,170	430,258,158	2,130,845,778	47.21
1877	1,697,888,500	16,648,610	393,222,793	2,107,759,903	45.47
1878	1,780,735,650	5,594,070	373,088,595	2,159,418,315	45.37
1879	1,887,716,110	37,015,380	374,181,153	2,298,912,643	47.05
1880	1,709,993,100	7,621,205	373,294,567	2,090,908,872	41.69
1881	1,625,567,750	6,723,615	386,994,363	2,019,285,728	39.35
1882	1,449,810,400	16,260,555	390,844,689	1,856,915,644	35.37
1883	1,324,229,150	7,831,165	389,898,603	1,721,958,918	32.07
1884	1,212,563,850	19,655,955	393,087,639	1,625,307,444	29.60
1885	1,182,150,950	4,100,745	392,299,474	1,578,551,169	28.11
1886	1,132,014,100	9,704,195	413,941,255	1,555,659,550	27.10
1887	1,007,692,350	6,114,915	451,678,029	1,465,485,294	24.97
1888	936,522,500	2,495,845	445,613,311	1,384,631,656	23.09
1889	815,853,990	1,911,235	431,705,286	1,249,470,511	20.39
1890	711,313,110	1,815,555	409,267,919	1,122,396,584	17.92
1891	610,529,120	1,614,705	393,662,736	1,005,806,561	15.75
1892	585,029,330	2,785,875	380,403,636	968,218,841	14.88
1893	585,037,100	2,094,060	374,300,606	961,431,766	14.49
1894	635,041,890	1,851,240	380,004,687	1,016,897,817	15.04
1895	716,202,060	1,721,590	378,989,470	1,096,913,120	15.91
1896	847,363,890	1,636,890	373,728,570	1,222,729,350	17.40
1897	847,365,130	1,346,880	378,081,703	1,226,793,713	17.14
1898	847,367,470	1,262,680	384,112,913	1,232,743,063	16.90
1899	1,046,048,750	1,218,300	389,433,654	1,436,700,704	19.33
1900	1,023,478,860	1,176,320	238,761,733	1,263,416,913	16.56
1901	987,141,040	1,415,620	233,015,585	1,221,572,245	15.71
1902	931,070,340	1,280,860	245,680,157	1,178,031,357	14.89
1903	914,541,410	1,205,090	243,659,413	1,159,455,913	14.40
1904	895,157,440	1,970,920	239,130,656	1,136,259,016	13.88
1905	895,158,340	1,370,245	235,828,510	1,132,357,095	13.60
1906	895,159,140	1,128,135	246,235,695	1,142,522,970	13.50
1907	804,834,280	1,086,815	251,257,098	1,147,178,193	13.33
1908	897,503,090	4,130,015	276,056,398	1,177,690,403	13.46
1909	913,317,490	2,883,855	232,114,027	1,148,315,372	12.91
1910	913,317,490	2,124,895	231,497,584	1,146,939,969	12.69
1911	915,353,190	1,879,830	236,751,917	1,153,984,937	12.28
1912	963,776,770	1,760,450	228,301,285	1,193,838,505	12.48
1913	965,706,610	1,659,550	225,681,585	1,193,047,745	12.26
1914	967,953,310	1,552,560	218,729,530	1,188,235,400	12.00
1915	969,759,090	1,507,260	219,997,718	1,191,264,068	11.83
1916	971,562,590	1,473,100	252,109,878	1,225,145,568	11.96
1917	2,712,549,477	14,232,230	248,836,878	2,975,618,585	28.57
1918	11,985,882,436	20,242,550	237,503,733	12,243,628,719	115.65
1919	25,234,496,274	11,109,370	236,428,775	25,482,034,419	240.09
1920	24,061,095,362	6,747,700	230,075,350	24,297,918,412	228.32
1921	23,737,352,080	10,939,620	227,958,908	23,976,250,608	221.09
1922	22,711,035,587	25,250,880	227,792,723	22,964,079,190	208.97
1923	22,007,590,754	98,172,160	243,924,844	22,349,687,758	200.10
1924	20,981,586,430	30,241,250	239,292,747	21,251,120,427	186.86
1925	20,210,906,251	30,242,930	275,122,993	20,516,272,174	177.82
1926	19,383,770,860	13,327,800	246,084,419	19,643,183,079	167.70
1927	18,250,943,966	14,707,235	244,523,065	18,510,174,266	156.04
1928	17,317,695,097	45,331,660	241,263,806	17,604,290,563	146.69

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 28.—*Principal of the public debt outstanding at the end of each fiscal year from 1853 to 1938*—Continued

June 30—	Interest-bearing [2]	Matured	Noninterest-bearing [3]	Total gross debt	Gross debt per capita
1929	$16,638,941,380	$50,751,399	$241,504,969	$16,931,197,748	$139.40
1930	15,921,892,350	31,715,370	231,700,579	16,185,308,299	131.49
1931	16,519,588,640	51,822,845	230,073,658	16,801,485,143	135.37
1932	19,161,273,540	60,086,685	265,649,541	19,487,009,766	155.93
1933	22,157,643,120	65,910,825	315,118,219	22,538,672,164	179.21
1934	26,480,487,920	54,266,380	518,331,688	27,053,085,988	213.65
1935	27,645,229,826	230,662,905	825,274,361	28,701,167,092	225.07
1936	32,755,631,770	169,362,895	620,389,957	33,545,384,622	261.20
1937	35,802,586,915	118,529,615	505,974,491	36,427,091,021	281.82
1938	36,578,684,982	141,350,510	447,451,959	37,167,487,451	285.43

[1] Figures for 1853 to 1885, inclusive, are taken from "Statement of receipts and expenditures of the Government from 1855 to 1885 and principal of public debt from 1791 to 1885," compiled from the official records of the Register's office. Later figures are taken from the monthly debt statements and revised figures published in the annual reports of the Secretary of the Treasury.

[2] Exclusive of the bonds issued to the Pacific railways (provision having been made by law to secure the Treasury against both principal and interest) and the Navy pension fund (which was in no sense a debt, the principal being the property of the United States).

[3] Includes old demand notes; United States notes (gold reserve deducted since 1900); postal currency and fractional currency less the amounts officialy estimated to have been destroyed; and also the deposits held by the Treasury for the retirement of Federal Reserve bank notes, and for national bank notes of national banks failed, in liquidation, and reducing circulation, which prior to 1890 was not included in the published debt statements. Does not include gold, silver, or currency certificates, or Treasury notes of 1890 for redemption of which an exact equivalent of the respective kinds of money or bullion was held in the Treasury.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 29.—*Comparative statement of the public debt outstanding June 30, 1932 to 1938*

[On basis of daily Treasury statements (unrevised), see p. 351]

	June 30, 1932	June 30, 1933	June 30, 1934	June 30, 1935	June 30, 1936	June 30, 1937	June 30, 1938
Public issues:							
Interest-bearing:							
Bonds:							
Consols of 1930	$599,724,050.00	$599,724,050.00	$599,724,050.00	$599,724,050.00			
Panama Canal Loan bonds	124,701,580.00	124,701,580.00	124,701,580.00	124,701,580.00	$49,800,000.00	$49,800,000.00	$49,800,000.00
Conversion bonds of 1946-47	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00
Postal savings bonds	36,247,260.00	52,697,440.00	78,030,240.00	101,943,340.00	120,881,020.00	119,086,360.00	118,065,420.00
Liberty loan bonds	8,201,314,550.00	8,201,307,550.00	6,345,774,250.00	1,334,967,600.00			
Treasury bonds	5,258,776,100.00	5,215,942,300.00	9,332,732,350.00	12,683,570,300.00	17,167,930,100.00	19,935,749,800.00	21,846,029,950.00
United States savings bonds				62,047,818.75	316,124,814.50	799,648,901.77	1,237,672,854.05
Adjusted service bonds					944,516,650.00	388,574,650.00	318,701,250.00
Total bonds	14,249,658,040.00	14,223,267,420.00	16,509,856,970.00	14,935,849,188.75	18,628,147,084.50	21,321,754,211.77	23,599,163,974.05
Treasury notes	1,261,283,600.00	4,548,379,200.00	6,653,111,900.00	10,023,251,900.00	11,380,985,050.00	10,617,241,250.00	9,146,922,950.00
Certificates of indebtedness	2,725,729,900.00	2,108,327,500.00	1,517,245,000.00				
Treasury bills	615,632,000.00	954,493,000.00	1,404,035,000.00	2,052,898,000.00	2,353,516,000.00	2,303,094,000.00	1,154,164,000.00
Total interest-bearing public issues	18,852,303,540.00	21,834,467,120.00	26,084,248,870.00	27,011,999,088.75	32,362,648,134.50	34,242,089,461.77	33,900,250,924.05
Noninterest-bearing:							
Matured debt on which interest has ceased	66,079,385.26	65,911,170.26	54,266,830.26	230,662,155.26	169,363,395.26	118,529,815.26	141,362,460.26
United States notes (less gold reserve)	190,641,927.97	190,641,927.97	190,641,585.07	190,641,585.07	190,641,585.07	190,641,585.07	190,641,585.07
Deposits for retirement of national bank and Federal Reserve bank notes	69,601,467.50	119,102,864.00	322,395,595.50	629,022,198.00	424,440,470.50	310,038,301.50	251,527,461.50
Other debt bearing no interest	5,406,123.40	5,373,477.92	5,349,533.65	5,325,597.45	5,307,908.40	5,294,612.29	5,282,928.17
Total noninterest-bearing public issues	325,728,904.13	381,029,440.15	572,653,544.48	1,055,651,535.78	789,753,359.23	624,504,314.12	588,814,435.00
Special issues (interest-bearing):							
Civil service retirement fund (notes)	200,300,000.00	226,800,000.00	238,700,000.00	247,700,000.00	274,700,000.00	309,400,000.00	388,900,000.00
Foreign service retirement fund (notes)	1,606,000.00	2,119,000.00	2,437,000.00	2,693,000.00	2,884,000.00	3,111,000.00	3,328,000.00
Canal Zone retirement fund (notes)	2,064,000.00	2,257,000.00	2,302,000.00	2,349,000.00	2,849,000.00	3,304,000.00	3,662,000.00
Alaska Railroad retirement fund (notes)						52,000.00	327,000.00
Unemployment trust fund (certificates)					18,909,000.00	312,295,000.00	872,000,000.00
Old-age reserve account (notes)						267,100,000.00	662,300,000.00
Railroad retirement account (notes)							66,200,000.00
Adjusted service certificate fund (certificates)	105,000,000.00	92,000,000.00	117,800,000.00	155,500,000.00	126,800,000.00	37,600,000.00	25,800,000.00
Postal Savings System (notes)			35,000,000.00	125,000,000.00	100,000,000.00	30,000,000.00	45,000,000.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 29.—*Comparative statement of the public debt outstanding June 30, 1932 to 1938*—Continued

	June 30, 1932	June 30, 1933	June 30, 1934	June 30, 1935	June 30, 1936	June 30, 1937	June 30, 1938
Special issues (interest-bearing)—Continued.							
Federal Deposit Insurance Corporation (notes)				$100,000,000.00	$100,000,000.00	$95,000,000.00	$85,000,000.00
Government life insurance fund (adjusted service bonds)						500,157,956.40	500,157,956.40
Government life insurance fund (notes)							23,000,000.00
Total special issues	$308,970,000.00	$323,176,000.00	$396,239,000.00	633,242,000.00	626,142,000.00	1,558,019,956.40	2,675,674,956.40
Total gross debt	19,487,002,444.13	22,538,672,560.15	27,053,141,414.48	28,700,892,624.53	33,778,543,493.73	36,424,613,732.29	37,164,740,315.45
Net balance in General Fund	417,197,178.17	862,205,220.61	2,581,922,240.16	1,841,345,539.47	2,681,510,203.96	2,553,473,897.31	2,215,917,913.00
Gross debt less net balance in General Fund	19,069,805,265.96	21,676,467,339.54	24,471,219,174.32	26,859,547,085.06	31,097,033,289.77	33,871,139,834.98	34,948,822,402.45
Gross debt per capita	155.93	179.21	213.65	225.07	263.01	281.63	[1]285.41
Computed rate of interest per annum on interest-bearing debt outstanding (percent)	3.505	3.350	3.181	2.716	2.562	2.582	2.589

[1] Revised.

Public debt
P. 493

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 30.—*Composition of the public debt at the end of the fiscal years 1916 to 1937 and by months from July 1937 to June 1938* [1]

[On basis of daily Treasury statements (revised), see p. 351. In millions of dollars]

Year and month	Bonds	Notes [2]	Certificates of indebtedness and Treasury bills	Special issues to Government agencies and trust funds	Total interest-bearing debt	Matured debt on which interest has ceased	Debt bearing no interest	Total gross debt	Matured interest obligations, etc.[3]	Total gross debt plus matured interest obligations, etc.	Balance in General Fund with Treasurer of the United States	Net debt, including matured interest obligations, etc.
June 30—												
1916	967	4			972	1	252	1,225	17	1,242	236	1,006
1917	2,412	27	273		2,713	14	249	2,976	53	3,028	1,120	1,909
1918	9,911	369	1,706		11,986	20	238	12,244	366	12,609	1,685	10,924
1919	17,188	4,422	3,625		25,234	11	236	25,482	223	25,705	1,226	24,479
1920	16,218	5,074	2,769		24,061	7	230	24,298	393	24,691	360	24,331
1921	16,119	4,919	2,699		23,737	11	228	23,976	370	24,346	533	23,814
1922	15,965	4,917	1,829		22,711	25	228	22,964	296	23,261	264	22,996
1923	16,535	4,441	1,031		22,008	98	244	22,350	176	22,526	370	22,156
1924	16,025	4,149	808		20,982	30	239	21,251	165	21,416	238	21,178
1925	16,842	2,740	533	95	20,211	30	275	20,516	143	20,659	220	20,439
1926	16,928	1,799	453	204	19,384	13	246	19,643	141	19,784	211	19,573
1927	15,220	1,986	686	359	18,251	15	245	18,510	145	18,655	233	18,422
1928	13,021	2,582	1,252	462	17,318	45	241	17,604	124	17,728	260	17,468
1929	12,125	2,267	1,640	607	16,639	51	242	16,931	136	17,067	325	16,743
1930	12,111	1,626	1,420	764	15,922	32	232	16,185	113	16,298	313	15,985
1931	13,531	452	2,246	291	16,520	52	230	16,801	136	16,938	457	16,481
1932	14,250	1,261	3,341	309	19,161	60	266	19,487	130	19,617	391	19,226
1933	14,223	4,548	3,063	323	22,158	66	315	22,539	150	22,688	854	21,835
1934	16,510	6,653	2,021	396	26,480	54	518	27,053	272	27,326	2,553	24,773
1935	14,936	10,023	2,053	633	27,645	231	825	28,701	745	29,446	1,812	27,635
1936	18,395	11,381	2,354	626	32,756	169	620	33,545	706	34,252	2,423	31,829
1937	21,324	10,617	2,303	1,558	35,803	119	506	36,427	583	37,010	2,543	34,467
Month ended—												
1937—July	21,348	10,617	2,453	1,699	36,117	103	499	36,719	559	37,278	2,664	34,615
August	21,368	10,617	2,653	1,815	36,453	100	494	37,048	512	37,560	2,908	34,651
September	21,384	10,575	2,403	1,905	36,267	122	489	36,878	543	37,421	2,859	34,562
October	21,399	10,575	2,403	1,991	36,368	109	482	36,959	534	37,493	2,684	34,809
November	21,417	10,575	2,403	2,118	36,514	106	477	37,096	507	37,603	2,616	34,986
December	21,989	10,547	1,952	2,227	36,715	99	472	37,286	544	37,830	2,971	34,859
1938—January	22,080	10,547	1,952	2,314	36,894	99	466	37,459	566	38,024	2,963	35,061
February	22,119	10,531	1,952	2,481	37,084	91	462	37,636	580	38,217	2,977	35,240
March	22,608	10,076	1,803	2,518	37,004	98	458	37,560	622	38,182	3,123	35,058
April	22,636	10,076	1,753	2,501	36,966	92	454	37,513	641	38,154	2,696	35,458
May	22,662	10,076	1,553	2,582	36,873	101	450	37,424	888	38,312	2,558	35,754
June	23,602	9,147	1,154	2,676	36,579	141	447	37,167	884	38,051	2,197	35,855

[1] For an analysis of the items included in each category in this table, see the statement of the public debt of the United States issued after the close of each month. Details for June 30, 1938, are shown in table 25 on p. 472 of this report, and details for the close of prior fiscal years are shown in similar tables appearing in reports for those years.

[2] Includes Treasury (war) savings securities.

[3] Includes matured interest obligations outstanding; discount accrued on Treasury (war) savings certificates, matured series, settlement warrant checks outstanding, and disbursing officers' checks outstanding; and balances in certain checking accounts of governmental agencies.

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals. For monthly figures back to June 1916, see annual reports for 1936, p. 413, and 1937, p. 414.

104825—39——33

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Public debt operations

TABLE 31.—*Public debt retirements chargeable against ordinary receipts during the fiscal year 1938, and cumulative totals from July 1, 1917, to June 30, 1937 and 1938, by sources and issues*

[On basis of daily Treasury statements (revised), see p. 351]

Detail	Face amount retired	Principal amount paid
Purchases and/or redemptions for cumulative sinking fund:		
Cumulative total to June 30, 1937	$5,856,909,650.00	$5,849,224,893.87
Fiscal year 1938:		
Purchases:		
Treasury bonds:		
4¼% of 1947–52	10,000.00	10,000.00
4% of 1944–54	10,000.00	10,000.00
3% of 1951–55	35,000.00	35,000.00
3¼% of 1943–45	6,000.00	6,000.00
3¼% of 1941	10,000.00	10,000.00
2⅞% of 1955–60	12,000.00	12,000.00
Redemptions:		
Treasury notes:		
3¼% series A–1937	40,297,300.00	40,297,300.00
2⅜% series A–1938	14,723,000.00	14,723,000.00
2⅞% series B–1938	6,645,000.00	6,645,000.00
3% series C–1938	3,484,100.00	3,484,100.00
Total	65,232,400.00	65,232,400.00
Cumulative total to June 30, 1938	5,922,142,050.00	5,914,457,293.87
Purchases and/or redemptions of bonds, etc., from cash repayments of principal by foreign governments, being repayments of loans under Liberty bond acts (received under ratified or unratified debt agreements):		
Cumulative total to June 30, 1937	464,049,150.00	454,092,091.91
Fiscal year 1938, no retirements		
Cumulative total to June 30, 1938	464,049,150.00	454,092,091.91
Purchases and/or redemptions from franchise tax receipts derived from Federal Reserve banks:		
Cumulative total to June 30, 1937	[1] 149,809,170.07	[1] 149,138,300.29
Fiscal year 1938, no retirements		
Cumulative total to June 30, 1938	149,809,170.07	149,138,300.29
Purchases and/or redemptions from net earnings derived by the United States from Federal intermediate credit banks:		
Cumulative total to June 30, 1937	[2] 2,505,019.71	[2] 2,496,778.70
Fiscal year 1938, no retirements		
Cumulative total to June 30, 1938	2,505,019.71	2,496,778.70
Redemption of bonds, etc., received as repayments of principal by foreign governments, under ratified debt agreements:		
Cumulative total to June 30, 1937	207,203,500.00	207,203,500.00
Fiscal year 1938: 2½% Treasury bonds of 1949–53	68,000.00	68,000.00
Cumulative total to June 30, 1938	207,271,500.00	207,271,500.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Redemption of bonds, etc., received as interest payment son obligations of foreign governments, under ratified debt agreements:		
Cumulative total to June 30, 1937	908,021,950.00	908,021,950.00
Fiscal year 1938: 2½% Treasury bonds of 1949–53	142,000.00	142,000.00
Cumulative total to June 30, 1938	908,163,950.00	908,163,950.00
Redemption of Liberty bonds issued in the year 1918 from bequest of James Reuel Smith:		
Fiscal year 1938:		
First 4¼'s	26,250.00	26,250.00
Second 4¼'s	450.00	450.00
Third 4¼'s	800.00	800.00
Fourth 4¼'s	82,500.00	82,500.00
Total	110,000.00	110,000.00
Cumulative total to June 30, 1938	110,000.00	110,000.00
Redemption of bonds, etc., received for estate taxes:		
Cumulative total to June 30, 1937	66,277,900.00	66,277,900.00
Fiscal year 1938, no retirements		
Cumulative total to June 30, 1938	66,277,900.00	66,277,900.00
Redemption of bonds, etc., received as gifts and forfeitures or from miscellaneous sources:		
Cumulative total to June 30, 1937	[3] 11,126,965.30	[3] 11,126,965.30
Fiscal year 1938:		
Gifts:		
2½% Treasury bonds of 1949–53	400.00	400.00
Forfeitures:		
Treasury bonds:		
3% of 1951–55	1,000.00	1,000.00
3¼% of 1943–45	500.00	500.00
2⅞% of 1955–60	500.00	500.00
2¾% of 1948–51	500.00	500.00
2¾% of 1951–54	500.00	500.00
2¾% of 1956–59	21,000.00	21,000.00
2½% of 1949–53	5,000.00	5,000.00
Treasury notes: 1⅜% series B–1939	500.00	500.00
	29,500.00	29,500.00
Total	29,900.00	29,900.00
Cumulative total to June 30, 1938	[3] 11,156,865.30	[3] 11,156,865.30
Total purchases and redemptions:		
Cumulative total to June 30, 1937	[3] 7,665,903,305.08	[3] 7,647,582,380.07
Fiscal year 1938	65,582,300.00	65,582,300.00
Cumulative total to June 30, 1938	[3] 7,731,485,605.08	[3] 7,713,164,680.07

[1] Includes $1,240,735.59 applied to the gold reserve. [2] Includes $1,819,669.71 applied to the gold reserve.
[3] Amounts exclude $4,842,066.45 written off the debt December 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 32.—*Summary of transactions in interest-bearing and noninterest-bearing securities during the fiscal year 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Class of transactions	Amount
I. Transactions in interest-bearing securities (as affecting the outstanding public debt):	
A. Interest-bearing securities outstanding June 30, 1937	$35,802,586,915.45
B. Interest-bearing securities issued during the fiscal year 1938:	
1. Upon original subscription against cash received	[1] 9,620,717,068.85
2. Upon exchange, etc., for securities of equal par value retired	7,371,448,210.00
3. Upon adjudicated claims for replacement	475,170.00
4. Total securities issued	16,992,640,448.85
C. Total interest-bearing securities to account for (items A and B-4)	52,795,227,364.30
D. Interest-bearing securities retired during the fiscal year 1938:	
1. Account of redemption	8,770,704,902.75
2. Account of exchange, etc., for securities of equal par value issued	7,371,448,210.00
3. Account of loss or destruction (covered by insurance or bonds of indemnity)	475,170.00
4. Total securities retired	16,142,628,282.75
E. Securities outstanding June 30, 1938, which matured during the fiscal year	73,914,100.00
F. Total interest-bearing securities outstanding June 30, 1938	36,578,684,981.55
G. Total interst-bearing securities accounted for (items D-4, E, and F)	52,795,227,364.30
II. Transactions in interest-bearing securities and securities which matured prior to July 1, 1937 (as affecting the accountability of the Treasury Department and its agents):	
A. Securities on hand June 30, 1937:	
1. Retired account of redemption—adjusted service bonds:	
(*a*) Securities in office of Treasurer of the United States	18,100.00
2. Unissued:	
(*a*) Securities in Division of Loans and Currency	16,989,791,475.00
(*b*) Securities in Federal Reserve banks and other Treasury agencies (exclusive of the Division of Loans and Currency)	10,361,034,250.00
3. Total securities on hand June 30, 1937	27,350,843,825.00
B. Interest-bearing securities received from Bureau of Engraving and Printing during the fiscal year 1938	18,453,056,560.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

C. Securities received for retirement during the fiscal year 1938:	
1. Account of redemption:	
(a) Interest-bearing securities (see item I, D–1, above)	[1] 8,791,568,290.00
(b) Securities matured prior to July 1, 1937	[3] 51,174,392.34
(c) Securities bearing no interest	11,105.50
2. Account of exchange, etc., for securities of equal par value issued:	
(a) Interest-bearing securities (see item I, D–2, above)	7,371,448,210.00
(b) Securities matured prior to July 1, 1937	133,900.00
3. Account of loss or destruction (covered by insurance or bonds of indemnity):	
(a) Interest-bearing securities (see item I, D–3, above)	475,170.00
(b) Securities matured prior to July 1, 1937	27,600.00
4. Total securities received for retirement	16,214,838,667.84
D. Total securities to account for (items II, A–3, B, and C–4)	62,018,739,052.84
E. Securities issued during the fiscal year 1938:	
1. Upon original subscription against cash received:	
(a) Interest-bearing securities (see item I, B–1, above)	[4] 9,755,963,275.00
2. Upon exchange, etc., for securities of equal par value retired:	
(a) Interest-bearing securities (see item I, B–2, above)	7,371,448,210.00
(b) Securities matured prior to July 1, 1937	133,900.00
3. Upon adjudicated claims for replacement:	
(a) Interest-bearing securities (see item I, B–3, above)	475,170.00
(b) Securities matured prior to July 1, 1937	27,600.00
4. For specimen purposes	100.00
5. Total securities issued	17,128,048,255.00
F. Securities delivered to the Register of the Treasury during the fiscal year 1938:	
1. Account of redemptions:	
(a) Interest-bearing securities (see item II, C–1 (a), above)	[2] 8,791,580,590.00
(b) Securities matured prior to July 1, 1937 (see item II, C–1 (b), above)	[6] 51,174,392.34
(c) Securities bearing no interest (see item II, C–1 (c), above)	11,105.50
2. Account of exchange, etc., for securities of equal par value issued:	
(a) Interest-bearing securities (see item II, C–2 (a), above)	[7] 7,371,248,210.00
(b) Securities matured prior to July 1, 1937 (see item II, C–2 (b), above)	133,900.00
3. Account of loss or destruction (covered by insurance or bonds of indemnity):	
(a) Interest-bearing securities (see item II, C–3 (a), above)	475,170.00
(b) Securities matured prior to July 1, 1937 (see item II, C–3 (b), above)	27,600.00
4. Unissued securities (excess stock):	
(a) By Division of Loans and Currency	1,028,055,495.00
(b) By Federal Reserve banks and other Treasury agencies (exclusive of the Division of Loans and Currency)	1,675,274,550.00
5. Total securities delivered to Register of the Treasury	18,917,981,012.84

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 32.—*Summary of transactions in interest-bearing and noninterest-bearing securities during the fiscal year 1938*—Continued

Class of transactions	Amount
II. Transactions in interest-bearing securities and securities which matured prior to July 1, 1937—Continued.	
G. Securities on hand June 30, 1938:	
1. Retired:	
(*a*) Adjusted service bonds retired account of redemption—in office of Treasurer of the United States	$5,800.00
(*b*) Treasury notes retired account of denominational exchange—in Federal Reserve bank	200,000.00
2. Unissued:	
(*a*) Securities in Division of Loans and Currency	17,678,015,210.00
(*b*) Securities in Federal Reserve banks and other Treasury agencies (exclusive of the Division of Loans and Currency)	8,294,488,775.00
3. Total securities on hand June 30, 1938	25,972,709,785.00
H. Total securities accounted for (items E-5, F-5, and G-3)	62,018,739,052.84

[1] Includes discount accrued on United States savings bonds in amount of $17,144,107, and receipts in amount of $7,715,218.10 representing unclassified sales of United States savings bonds not yet reported as issued by Post Office Department.

[2] Includes United States savings bonds in the face amount of $87,732,250, redemption value of which is $66,868,862.75. Includes adjusted service bonds in amount of $82,624,500, representing redemptions in fiscal year 1938 of $82,637,500, less repayments of $5,500 and $7,500 relating to redemptions in fiscal years 1936 and 1937, respectively.

[3] Includes matured Treasury (war) savings securities of which $81,187.34 was charged to interest and $19,475 to principal.

[4] Includes United States savings bonds in the face amount of $640,420,925, sales price of which is $480,315,693.75. Includes United States savings bonds issued by Post Office Department in amount of $300 for which original registration stubs have been received by Treasury Department, but for which payment has not been received and credited in Treasurer's account.

[5] Includes United States savings bonds in amount of $361.25 redeemed in fiscal year 1938, which were disallowed and not reported by Register of the Treasury, but not covered by repayments until subsequent fiscal year. Excludes United States savings bonds in amount $3,457 redeemed in fiscal year 1937, which were disallowed by Register of the Treasury and against which have been applied repayments in that amount received in fiscal year 1938. Includes adjusted service bonds in amounts of $50 (redeemed bonds in amount of $100, less $50 repayment relating to bond validated and restored to validity) redeemed in fiscal year 1937 and $82,636,750 redeemed in fiscal year 1938. Excludes adjusted service bonds in amounts of $2,700, $2,350 and $750 redeemed in fiscal years 1936, 1937, and 1938, respectively, but not delivered to Register of the Treasury (see item II, G-1 (*a*)).

[6] Excludes Treasury (war) savings securities in amount of $46.62 reported and not disallowed by Register of the Treasury, against which has been applied repayments in that amount received in fiscal year 1938.

[7] Excludes Treasury notes in the amount of $200,000 retired on denominational exchange transactions, but not delivered to Register of the Treasury (see item II, G-1 (*b*)).

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 33.—*Summary of transactions in interest-bearing securities, by form of issue, during the fiscal year 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Account	Pre-war and postal savings bonds	Treasury bonds	United States savings bonds	Adjusted service bonds	Treasury notes	Treasury bills	Certificates of indebtedness	Total
I. Outstanding June 30, 1937	$197,780,860.00	$19,935,749,800.00	$802,126,199.05	[2] $888,732,806.40	$11,325,208,250.00	$2,303,094,000.00	$349,895,000.00	$35,802,586,915.45
II. Issued during 1938:								
A. Upon original subscription against cash received		1,910,602,550.00	[1] 505,174,718.85	12,750,800.00	1,978,370,000.00	3,757,949,000.00	1,455,870,000.00	9,620,717,068.85
B. Upon exchange, etc., for securities of equal par value retired	8,314,560.00	1,917,291,800.00	7,321,600.00	3,750.00	4,404,883,500.00	1,031,633,000.00	2,000,000.00	7,371,448,210.00
C. Upon adjudicated claims for replacement	15,820.00	50,000.00	240,450.00	168,900.00				475,170.00
D. Total issued during 1938	8,330,380.00	3,827,944,350.00	512,736,768.85	12,923,450.00	6,383,253,500.00	4,789,582,000.00	1,457,870,000.00	16,992,640,448.85
III. Retired during 1938:								
A. Account of redemption	1,014,640.00	322,400.00	66,868,862.75	82,624,500.00	2,871,823,500.00	4,840,086,000.00	907,965,000.00	8,770,704,902.75
B. Account of exchange, etc., for securities of equal par value issued	8,314,560.00	1,917,291,800.00	7,321,600.00	3,750.00	4,404,883,500.00	1,031,633,000.00	2,000,000.00	7,371,448,210.00
C. Account of loss or destruction (covered by insurance or bonds of indemnity)	15,820.00	50,000.00	240,450.00	168,900.00				475,170.00
D. Total retired during 1938	9,345,020.00	1,917,664,200.00	74,430,912.75	82,797,150.00	7,276,707,000.00	5,871,719,000.00	909,965,000.00	16,142,628,282.75
IV. Outstanding June 30, 1938	196,766,220.00	21,846,029,950.00	[1] 1,240,432,055.15	[2] 818,859,106.40	10,431,754,750.00	1,220,957,000.00	897,800,000.00	36,652,599,081.55
Deduct interest-bearing debt which matured during the year	6,300.00				7,114,800.00	66,793,000.00		73,914,100.00
V. Outstanding June 30, 1938	196,759,920.00	21,846,029,950.00	[1] 1,240,432,055.15	[2] 818,859,106.40	10,424,639,950.00	1,154,164,000.00	897,800,000.00	36,578,684,981.55

[1] Includes discount accrued on United States savings bonds in the amount of $17,144.107.
[2] Includes $500,157,956.40, of 4½% adjusted service bonds—United States Government life insurance fund, series 1946.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 34.—*Changes in interest-bearing debt, by issues, during the fiscal year 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Detail	Outstanding July 1, 1937	Issues during year	Redemptions during year	Outstanding June 30, 1938	
				Transfers to matured debt	Interest-bearing debt
Pre-war bonds:					
3% Panama Canal loan of 1961	$49,800,000.00				$49,800,000.00
3% conversion bonds of 1946–47	28,894,500.00				28,894,500.00
2½% postal savings bonds (thirteenth to forty-ninth series)	119,086,360.00		$1,014,640.00	$6,300.00	118,065,420.00
Total pre-war bonds	197,780,860.00		1,014,640.00	6,300.00	196,759,920.00
Treasury bonds:					
4¼% of 1947–52	758,955,800.00		10,000.00		758,945,800.00
4% of 1944–54	1,036,702,900.00		10,000.00		1,036,692,900.00
3¾% of 1946–56	489,080,100.00				489,080,100.00
3⅜% of 1943–47	454,135,200.00				454,135,200.00
3⅜% of 1940–43	352,993,450.00				352,993,450.00
3⅜% of 1941–43	544,870,050.00				544,870,050.00
3⅛% of 1946–49	818,627,000.00				818,627,000.00
3% of 1951–55	755,469,500.00		36,000.00		755,433,500.00
3¼% of 1941	834,463,200.00		10,000.00		834,453,200.00
3¼% of 1943–45	1,400,534,750.00		6,500.00		1,400,528,250.00
3¼% of 1944–46	1,518,737,650.00				1,518,737,650.00
3% of 1946–48	1,035,874,400.00				1,035,874,400.00
2⅞% of 1949–52	491,375,100.00				491,375,100.00
2⅞% of 1955–60	2,611,107,650.00		12,500.00		2,611,095,150.00
2¾% of 1945–47	1,214,428,950.00				1,214,428,950.00
2¾% of 1948–51	1,223,496,350.00		500.00		1,223,495,850.00
2¾% of 1951–54	1,626,687,650.00		500.00		1,626,687,150.00
2¾% of 1956–59	981,848,050.00		21,000.00		981,827,050.00
2½% of 1949–53	1,786,362,050.00		215,400.00		1,786,146,650.00
2½% of 1945		$540,843,550.00			540,843,550.00
2½% of 1948		450,978,400.00			450,978,400.00
2¾% of 1958–63		918,780,600.00			918,780,600.00
Total Treasury bonds	19,935,749,800.00	1,910,602,550.00	322,400.00		21,846,029,950.00
United States savings bonds:					
Series A–1935	187,710,255.75	4,708,988.50	10,975,007.50		181,444,236.75
Series B–1936	350,032,394.50	8,999,211.00	24,317,039.00		334,714,566.50
Series C–1937	219,013,612.50	250,169,632.50	27,947,922.50		441,235,322.50

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Series C–1938		233, 581, 668. 75	3, 628, 893. 75		229, 952, 775. 00
Unclassified sales	45, 369, 936. 30	7, 715, 218. 10			53, 085, 154. 40
Total United States savings bonds	802, 126, 199. 05	505, 174, 718. 85	66, 868, 862. 75		1, 240, 432, 055. 15
Adjusted service bonds: 3% of 1945	388, 574, 850. 00	12, 750, 800. 00	82, 624, 500. 00		318, 701, 150. 00
Treasury notes:					
3¼%, series A–1937	817, 483, 500. 00		815, 901, 500. 00	1, 582, 000. 00	
2⅜%, series A–1938	276, 679, 600. 00		275, 392, 800. 00	1, 286, 800. 00	
2¼%, series B–1938	618, 056, 800. 00		614, 523, 800. 00	3, 533, 000. 00	
3%, series C–1938	455, 175, 500. 00		454, 462, 500. 00	713, 000. 00	
2½%, series D–1938	596, 416, 100. 00		578, 677, 400. 00		17, 738, 700. 00
1¼%, series E–1938		433, 460, 900. 00			433, 460, 900. 00
2⅛%, series A–1939	1, 293, 714, 200. 00				1, 293, 714, 200. 00
1⅜%, series B–1939	526, 233, 000. 00		500. 00		526, 232, 500. 00
1½%, series C–1939	941, 613, 750. 00				941, 613, 750. 00
1⅜%, series D–1939	426, 554, 600. 00				426, 554, 600. 00
1⅜%, series A–1940	1, 378, 364, 200. 00				1, 378, 364, 200. 00
1½%, series B–1940	738, 428, 400. 00				738, 428, 400. 00
1½%, series, C–1940	737, 161, 600. 00				737, 161, 600. 00
1½%, series A–1941	676, 707, 600. 00				676, 707, 600. 00
1⅜%, series B–1941	503, 877, 500. 00				503, 877, 500. 00
1¼%, series C–1941	204, 425, 400. 00				204, 425, 400. 00
1¾%, series A–1942	426, 349, 500. 00				426, 349, 500. 00
2%, series B–1942		342, 143, 300. 00			342, 143, 300. 00
1¾%, series C–1942		232, 375, 200. 00			232, 375, 200. 00
1⅛%, series A–1943		267, 775, 600. 00			267, 775, 600. 00
Total Treasury notes	10, 617, 241, 250. 00	1, 275, 755, 000. 00	2, 738, 958, 500. 00	7, 114, 800. 00	9, 146, 922, 950. 00
Treasury bills, series maturing—					
July 7, 1937	50, 045, 000. 00		50, 045, 000. 00		
July 14, 1937	50, 133, 000. 00		50, 133, 000. 00		
July 21, 1937	50, 060, 000. 00		50, 060, 000. 00		
July 28, 1937	50, 159, 000. 00		50, 149, 000. 00	10, 000. 00	
Aug. 4, 1937	50, 113, 000. 00		50, 113, 000. 00		
Aug. 11, 1937	50, 145, 000. 00		50, 145, 000. 00		
Aug. 18, 1937	50, 083, 000. 00		50, 083, 000. 00		
Aug. 25, 1937	50, 000, 000. 00		50, 000, 000. 00		
Sept. 1, 1937	50, 057, 000. 00		50, 057, 000. 00		
Sept. 8, 1937	50, 027, 000. 00		50, 027, 000. 00		
Sept. 15, 1937	50, 005, 000. 00		49, 953, 000. 00	52, 000. 00	
Sept. 16, 1937	50, 025, 000. 00		50, 024, 000. 00	1, 000. 00	
Do	50, 024, 000. 00		49, 215, 000. 00	809, 000. 00	
Sept. 17, 1937	50, 045, 000. 00		50, 035, 000. 00	10, 000. 00	
Do	50, 072, 000. 00		50, 062, 000. 00	10, 000. 00	
Sept. 18, 1937	50, 140, 000. 00		48, 940, 000. 00	1, 200, 000. 00	
Do	50, 182, 000. 00		50, 182, 000. 00		
Do	50, 112, 000. 00		50, 112, 000. 00		
Sept. 22, 1937	50, 025, 000. 00		49, 975, 000. 00	50, 000. 00	

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 34.—*Changes in interest-bearing debt, by issues, during the fiscal year 1938*—Continued

Detail	Outstanding July 1, 1937	Issues during year	Redemptions during year	Outstanding June 30, 1938	
				Transfers to matured debt	Interest-bearing debt
Treasury bills, series maturing—Continued.					
Sept. 29, 1937	$50,040,000.00		$50,040,000.00		
Oct. 6, 1937	50,125,000.00		50,025,000.00	$100,000.00	
Oct. 13, 1937	50,022,000.00		49,872,000.00	150,000.00	
Oct. 20, 1937	50,015,000.00		50,015,000.00		
Oct. 27, 1937	50,038,000.00		50,031,000.00	7,000.00	
Nov. 3, 1937	50,385,000.00		50,280,000.00	105,000.00	
Nov. 10, 1937	50,025,000.00		50,025,000.00		
Nov. 17, 1937	50,027,000.00		49,867,000.00	160,000.00	
Nov. 24, 1937	50,024,000.00		49,956,000.00	68,000.00	
Dec. 1, 1937	50,004,000.00		49,901,000.00	103,000.00	
Dec. 8, 1937	50,010,000.00		49,975,000.00	35,000.00	
Dec. 15, 1937	50,012,000.00		49,764,000.00	248,000.00	
Dec. 16, 1937		$50,060,000.00	49,910,000.00	150,000.00	
Do		50,137,000.00	50,137,000.00		
Dec. 17, 1937		50,012,000.00	50,012,000.00		
Do		50,000,000.00	50,000,000.00		
Dec. 18, 1937		50,086,000.00	50,086,000.00		
Do		50,018,000.00	50,008,000.00	10,000.00	
Dec. 20, 1937		50,043,000.00	50,043,000.00		
Do		50,072,000.00	50,072,000.00		
Dec. 21, 1937		50,224,000.00	50,224,000.00		
Dec. 22, 1937	50,177,000.00		50,127,000.00	50,000.00	
Dec. 29, 1937	50,004,000.00		50,004,000.00		
Jan. 5, 1938	50,049,000.00		50,049,000.00		
Jan. 12, 1938	50,022,000.00		49,937,000.00	85,000.00	
Jan. 19, 1938	50,300,000.00		49,991,000.00	309,000.00	
Jan. 26, 1938	50,052,000.00		49,362,000.00	690,000.00	
Feb. 2, 1938	50,014,000.00		49,956,000.00	58,000.00	
Feb. 9, 1938	50,027,000.00		49,987,000.00	40,000.00	
Feb. 16, 1938	50,044,000.00		50,039,000.00	5,000.00	
Feb. 23, 1938	50,019,000.00		49,999,000.00	20,000.00	
Mar. 2, 1938	50,027,000.00		49,703,000.00	324,000.00	
Mar. 9, 1938	50,000,000.00		49,695,000.00	305,000.00	
Mar. 16, 1938	50,045,000.00		49,963,000.00	82,000.00	
Do		50,065,000.00	50,065,000.00		
Do		50,119,000.00	50,119,000.00		
Mar. 17, 1938		50,044,000.00	50,044,000.00		
Do		50,050,000.00	50,000,000.00	50,000.00	

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Mar. 18, 1938		50,152,000.00	50,112,000.00	40,000.00	
Do		50,040,000.00	49,738,000.00	302,000.00	
Mar. 19, 1938		50,142,000.00	49,932,000.00	210,000.00	
Do		50,030,000.00	49,645,000.00	385,000.00	
Mar. 23, 1938	50,120,000.00		49,960,000.00	160,000.00	
Do		50,098,000.00	49,778,000.00	320,000.00	
Mar. 30, 1938	50,015,000.00		49,885,000.00	130,000.00	
Do		50,077,000.00	50,047,000.00	30,000.00	
Apr. 6, 1938		50,010,000.00	49,974,000.00	36,000.00	
Do		50,000,000.00	49,994,000.00	6,000.00	
Apr. 13, 1938		50,000,000.00	49,669,000.00	331,000.00	
Do		50,027,000.00	50,022,000.00	5,000.00	
Apr. 20, 1938		50,015,000.00	49,975,000.00	40,000.00	
Do		50,130,000.00	50,130,000.00		
Apr. 27, 1938		50,032,000.00	49,487,000.00	545,000.00	
Do		50,035,000.00	49,788,000.00	247,000.00	
May 4, 1938		50,047,000.00	49,686,000.00	361,000.00	
Do		50,060,000.00	49,935,000.00	125,000.00	
May 11, 1938		50,057,000.00	49,941,000.00	116,000.00	
Do		50,144,000.00	49,153,000.00	991,000.00	
May 18, 1938		50,048,000.00	50,035,000.00	13,000.00	
Do		50,063,000.00	49,646,000.00	417,000.00	
May 25, 1938		50,001,000.00	49,084,000.00	917,000.00	
Do		50,276,000.00	50,263,000.00	13,000.00	
June 1, 1938		50,028,000.00	49,325,000.00	703,000.00	
Do		50,137,000.00	48,879,000.00	1,258,000.00	
June 8, 1938		50,016,000.00	49,887,000.00	129,000.00	
Do		50,156,000.00	49,301,000.00	855,000.00	
June 15, 1938		50,010,000.00	47,276,000.00	2,734,000.00	
Do		50,208,000.00	48,208,000.00	2,000,000.00	
June 16, 1938		50,042,000.00	47,514,000.00	2,528,000.00	
Do		50,033,000.00	45,764,000.00	4,269,000.00	
June 17, 1938		50,025,000.00	47,847,000.00	2,178,000.00	
Do		50,099,000.00	47,822,000.00	2,277,000.00	
June 18, 1938		50,107,000.00	46,878,000.00	3,229,000.00	
June 22, 1938		50,015,000.00	47,760,000.00	2,255,000.00	
Do		100,282,000.00	99,409,000.00	873,000.00	
June 29, 1938		50,116,000.00	44,290,000.00	5,826,000.00	
Do		100,097,000.00	75,454,000.00	24,643,000.00	
July 6, 1938		50,090,000.00			$50,090,000.00
Do		100,325,000.00			100,325,000.00
July 13, 1938		50,103,000.00			50,103,000.00
Do		100,188,000.00			100,188,000.00
July 20, 1938		50,025,000.00			50,025,000.00
Do		100,420,000.00			100,420,000.00
July 27, 1938		50,050,000.00			50,050,000.00
Aug. 3, 1938		50,021,000.00			50,021,000.00
Aug. 10, 1938		50,109,000.00			50,109,000.00
Aug. 17, 1938		50,269,000.00			50,269,000.00
Aug. 24, 1938		50,409,000.00			50,409,000.00
Aug. 31, 1938		50,020,000.00			50,020,000.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 34.—*Changes in interest-bearing debt, by issues, during the fiscal year 1938*—Continued

Detail	Outstanding July 1, 1937	Issues during year	Redemptions during year	Outstanding June 30, 1938	
				Transfers to matured debt	Interest-bearing debt
Treasury bills, series maturing—Continued:					
Sept. 7, 1938		$100,189,000.00			$100,189,000.00
Sept. 14, 1938		100,701,000.00			100,701,000.00
Sept. 21, 1938		101,150,000.00			101,150,000.00
Sept. 28, 1938		100,095,000.00			100,095,000.00
Total Treasury bills	$2,303,094,000.00	3,757,949,000.00	$4,840,086,000.00	$66,793,000.00	1,154,164,000.00
Special issues:					
Adjusted service bonds (Government life insurance fund series)	500,157,956.40				500,157,956.40
Treasury notes:					
Old-age reserve account series	267,100,000.00	395,200,000.00			662,300,000.00
Railroad retirement series		81,200,000.00	15,000,000.00		66,200,000.00
Civil service retirement fund series	309,400,000.00	151,600,000.00	72,100,000.00		388,900,000.00
Foreign service retirement fund series	3,111,000.00	731,000.00	514,000.00		3,328,000.00
Canal Zone retirement fund series	3,304,000.00	609,000.00	251,000.00		3,662,000.00
Alaska Railroad retirement fund series	52,000.00	275,000.00			327,000.00
Postal Savings System series	30,000,000.00	25,000,000.00	10,000,000.00		45,000,000.00
Federal Deposit Insurance Corporation series	95,000,000.00	25,000,000.00	35,000,000.00		85,000,000.00
Government life insurance fund series		23,000,000.00			23,000,000.00
Certificates of indebtedness:					
Adjusted service certificate fund series	37,600,000.00	32,000,000.00	43,800,000.00		25,800,000.00
Unemployment trust fund series	312,295,000.00	1,423,870,000.00	864,165,000.00		872,000,000.00
Total special issues	1,558,019,956.40	2,158,485,000.00	1,040,830,000.00		2,675,674,956.40
Total all securities	35,802,586,915.45	9,620,717,068.85	8,770,704,902.75	73,914,100.00	36,578,684,981.55

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 35.—*Transactions in noninterest-bearing securities, by issues, during the fiscal year 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Title of issue	Rate of interest [1]	Outstanding July 1, 1937	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt	Outstanding June 30, 1938
MATURED DEBT ON WHICH INTEREST HAS CEASED							
I. Pre-war and postal savings bonds, etc.:	*Percent*						
Compound interest notes (1864–66)	[2] 6	$156,260.00					$156,260.00
Funded loan of 1907 (refunding)	4	345,200.00		$300.00			344,900.00
Refunding certificates (1879)	4	8,530.00		60.00			8,470.00
1-year notes of 1863	5	29,980.00					29,980.00
Consols of 1867	6	83,650.00					83,650.00
Funded loan of 1891 (refunding)	4½	18,700.00					18,700.00
Funded loan of 1891 (continued)	2	1,000.00		1,000.00			
Loan of 1908–18	3	152,500.00		780.00			151,720.00
Loan of 1925	4	60,500.00		2,200.00			58,300.00
Postal savings bonds	2½	47,840.00		10,320.00		$6,300.00	43,820.00
Consols of 1930	2	3,009,450.00		747,500.00			2,261,950.00
Panama Canal loan of 1916–36	2	92,560.00		320.00			92,240.00
Panama Canal loan of 1918–38	2	85,060.00					85,060.00
All other issues [3]	Various	620,310.26					620,310.20
Total pre-war and postal savings bonds, etc.		4,711,540.26		762,480.00		6,300.00	3,955,360.26
II. Liberty loan bonds:							
First Liberty loan:							
First 3½'s	3½	19,435,000.00		9,013,950.00	$2,350.00		10,421,050.06
First 4's	4	250,100.00		57,500.00	10,950.00		192,600.00
First 4¼'s	4¼	8,840,500.00		4,700,100.00	10,500.00		4,140,400.00
First-second 4¼'s	4¼	32,200.00		11,350.00	50.00		20,850.00
Total		28,557,800.00		13,782,900.00	23,850.00		14,774,900.00
Second Liberty loan:							
Second 4's	4	539,200.00		23,800.00	20,050.00		515,400.00
Second 4¼'s	4¼	897,800.00		89,700.00	7,400.00		808,100.00
Total		1,437,000.00		113,500.00	27,450.00		1,323,500.00
Third Liberty loan	4¼	2,390,350.00		260,400.00	26,850.00		2,129,950.00
Fourth Liberty loan	4¼	38,753,650.00		15,439,100.00	83,350.00		23,314,550.00
Total Liberty loan bonds		71,138,800.00		29,595,900.00	161,500.00		41,542,900.00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 35.—*Transactions in noninterest-bearing securities, by issues, during the fiscal year 1938*—Continued

Title of issue	Rate of interest [1]	Outstanding July 1, 1937	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt	Outstanding June 30, 1938
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued							
III. Victory notes:	*Percent*						
Victory 3¾'s	3¾	$10,900.00					$10,900.00
Victory 4¾'s	4¾	682,050.00		$26,700.00			655,350.00
Total Victory notes		692,950.00		26,700.00			666,250.00
IV. Treasury notes, series:							
A-1924	5¾	18,200.00		1,000.00			17,200.00
A-1925	4¾	9,200.00		200.00			9,000.00
B-1925	4⅜	32,900.00		2,000.00			30,900.00
C-1925	4½	14,600.00		500.00			14,100.00
A-1926	4¾	2,800.00					2,800.00
B-1926	4¼	7,400.00		100.00			7,300.00
A-1927	4½	15,100.00					15,100.00
B-1927	4¾	25,800.00		500.00			25,300.00
A-1930-32	3½	162,600.00		7,600.00			155,000.00
B-1930-32	3½	106,300.00		16,250.00			90,050.00
C-1930-32	3½	96,850.00		20,150.00			76,700.00
1932	3¼	146,400.00		14,200.00			132,200.00
A-1934	3	110,200.00		11,000.00			99,200.00
B-1934	2⅛	92,000.00		25,060.00			67,000.00
A-1935	3	572,900.00		114,600.00			458,300.00
B-1935	1⅝	11,235,900.00		21,700.00			11,214,200.00
C-1935	2½	141,500.00		16,500.00			125,000.00
D-1935	2½	355,600.00		69,000.00			286,600.00
A-1936	3¼	419,900.00		162,000.00			257,900.00
B-1936	2¾	811,700.00		282,700.00			529,000.00
C-1936	2⅞	632,100.00		162,700.00			469,400.00
D-1936	1½	319,300.00		89,800.00			229,500.00
E-1936	1⅛	343,500.00		231,100.00			112,400.00
A-1937	3¼					$1,582,000.00	1,582,000.00
B-1937	3	2,009,800.00		1,507,800.00			502,000.00
C-1937	3	686,100.00		486,700.00			199,400.00
A-1938	2⅝					1,286,800.00	1,286,800.00
B-1938	2⅞					3,533,000.00	3,533,000.00
C-1938	3					713,000.00	713,000.00
Total Treasury notes		18,368,650.00		3,243,100.00		7,114,800.00	22,240,350.00
V. Certificates of indebtedness:							
Tax issues, series:							
TJ-1920	4½	1,000.00					1,000.00
TD-1920	4¾	2,000.00		1,000.00			1,000.00
TJ-1921	6	2,500.00					2,500.00
TD-1921	6	2,500.00		500.00			2,000.00
TD-1922	4½	1,000.00					1,000.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TM-1924	4½	1,000.00					1,000.00
TJ-1929	4½	1,800.00					1,800.00
TS-1929	4¾	12,500.00		1,000.00			11,500.00
TD-1929	4¼	69,000.00		1,000.00			68,000.00
TD2-1929	4¾	4,500.00		1,000.00			3,500.00
TM-1930	5⅛	73,000.00		1,500.00			71,500.00
TJ-1930	4⅞	24,000.00					24,000.00
TS-1930	3⅞	5,000.00		3,000.00			2,000.00
TD-1930	3¼	8,500.00		1,500.00			7,000.00
TJ2-1931	1¾	1,500.00					1,500.00
TS-1931	2⅜	52,500.00		25,000.00			27,500.00
TS2-1931	1½	5,000.00					5,000.00
TM-1932	2	19,000.00		2,000.00			17,000.00
TD2-1931	1⅞	1,000.00					1,000.00
TJ-1932	2¾	638,000.00		109,500.00			528,500.00
TS-1932	1⅛	56,500.00		6,000.00			50,500.00
TS2-1932	3	214,500.00		4,500.00			210,000.00
TO-1932	3⅛	32,000.00		10,000.00			22,000.00
TM-1933	3¾	385,500.00		225,500.00			160,000.00
TJ-1933	1½	721,500.00		138,000.00			583,500.00
First-maturing Mar. 15, 1933	2	187,600.00		40,050.00			147,550.00
TS-1933	1¼	447,500.00		21,500.00			426,000.00
TD-1933	¾	962,500.00		33,000.00			929,500.00
TAG-1933	4	236,500.00		85,000.00			151,500.00
TD2-1933	4¼	801,500.00		72,500.00			729,000.00
TM-1934	¾	119,000.00		38,000.00			81,000.00
TJ-1934	¼	430,000.00					430,000.00
TD-1934	2¼	154,500.00		110,500.00			44,000.00
TS-1934	1½	121,000.00		88,000.00			33,000.00
All other issues [4]	Various	15,500.00					15,505.00
Loan issues, series:							
B-1922	5½	1,000.00					1,000.00
A-1932	3⅛	45,000.00					45,000.00
A-1933	3¾	33,500.00		9,000.00			24,500.00
B-1933	2	104,000.00		16,000.00			88,000.00
All other issues [4]	Various	5,000.00					5,000.00
Total certificates of indebtedness		5,999,400.00		1,044,550.00			4,954,850.00
VI. Treasury bills, series matured: [1]							
Mar. 2, 1932	2.585	15,000.00		15,000.00			
Apr. 27, 1932	2.483	3,000.00		1,000.00			2,000.00
May 18, 1932	2.761	32,000.00		1,000.00			31,000.00
June 29, 1932	2.079	20,000.00		20,000.00			
Aug. 17, 1932	.425	10,000.00					10,000.00
Mar. 29, 1933	.085	10,000.00		10,000.00			
May 17, 1933	.228	37,000.00					37,000.00
Aug. 9, 1933	.481	7,000.00					7,000.00
Nov. 8, 1933	.319	2,000.00		2,000.00			
Jan. 31, 1934	.216	1,000.00					1,000.00
Sept. 5, 1934	.434	12,000.00					12,000.00
Mar. 6, 1935	.181	40,000.00					40,000.00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 35.—*Transactions in noninterest-bearing securities, by issues, during the fiscal year 1938*—Continued

Title of issue	Rate of interest [1]	Outstanding July 1, 1937	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt	Outstanding June 30, 1938
MATURED DEBT ON WHICH INTEREST HAS CEASED—continued							
VI. Treasury bills, series matured [1]—Continued.	*Percent*						
Mar. 13, 1935	.226	$100,000.00		$30,000.00			$70,000.00
Apr. 17, 1935	.209	9,000.00					9,000.00
May 22, 1935	.208	30,000.00					30,000.00
June 5, 1935	.219	31,000.00		7,000.00			24,000.00
July 31, 1935	.136	11,000.00		6,000.00			5,000.00
Aug. 14, 1935	.110	10,000.00		10,000.00			
Aug. 21, 1935	.117	20,000.00		20,000.00			
Aug. 28, 1935	.108	30,000.00					30,000.00
Sept. 4, 1935	.100	13,000.00					13,000.00
Sept. 11, 1935	.094	15,000.00					15,000.00
Sept. 18, 1935	.094	25,000.00					25,000.00
Oct. 23, 1935	.096	280,000.00		280,000.00			
Dec. 18, 1935	.147	20,000.00		20,000.00			
Dec. 31, 1935	.157	10,000.00					10,000.00
Jan. 8, 1936	.176	94,000.00		21,000.00			73,000.00
Jan. 22, 1936	.169	4,000.00		4,000.00			
Jan. 29, 1936	.153	50,000.00		50,000.00			
Feb. 5, 1936	.152	50,000.00		50,000.00			
Mar. 16, 1936	.191	120,000.00		120,000.00			
Do	.171	25,000.00		25,000.00			
Do	.144	5,000.00		5,000.00			
June 3, 1936	.151	44,000.00		25,000.00			19,000.00
June 10, 1936	.176	69,000.00		43,000.00			26,000.00
June 24, 1936	.228	14,000.00		14,000.00			
July 1, 1936	.253	50,000.00		50,000.00			
July 22, 1936	.177	110,000.00		70,000.00			40,000.00
Aug. 12, 1936	.143	10,000.00		10,000.00			
Aug. 19, 1936	.142	55,000.00		40,000.00			15,000.00
Aug. 26, 1936	.131	10,000.00					10,000.00
Sept. 9, 1936	.108	100,000.00		100,000.00			
Oct. 14, 1936	.100	20,000.00		20,000.00			
Dec. 2, 1936	.084	3,000.00		3,000.00			
Dec. 15, 1936	.156	1,000.00		1,000.00			
Do	.184	1,000.00		1,000.00			
Dec. 23, 1936	.118	40,000.00					40,000.00
Dec. 30, 1936	.126	20,000.00		20,000.00			
Jan. 6, 1937	.113	1,000.00					1,000.00
Jan. 13, 1937	.100	10,000.00					10,000.00
Jan. 20, 1937	.093	10,000.00		10,000.00			
Jan. 27, 1937	.089	58,000.00		18,000.00			40,000.00
Feb. 3, 1937	.125	313,000.00		302,000.00			11,000.00
Feb. 24, 1937	.200	19,000.00		1,000.00			18,000.00

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Mar. 16, 1937	.041	301,000.00		301,000.00			
Mar. 17, 1937	.038	200,000.00		200,000.00			
Do	.076	5,000.00		5,000.00			
Mar. 18, 1937	.109	290,000.00		290,000.00			
Apr. 14, 1937	.071	323,000.00		323,000.00			
Apr. 28, 1937	.224	220,000.00		220,000.00			
May 12, 1937	.213	80,000.00		62,000.00			18,000.00
May 19, 1937	.194	75,000.00		75,000.00			
May 26, 1937	.170	40,000.00		40,000.00			
June 2, 1937	.149	5,171,000.00		5,021,000.00			150,000.00
June 9, 1937	.130	1,432,000.00		1,401,000.00			31,000.00
June 16, 1937	.146	302,000.00		302,000.00			
Do	.224	845,000.00		833,000.00			12,000.00
Do	.179	293,000.00		293,000.00			
June 17, 1937	.173	153,000.00		153,000.00			
Do	.440	175,000.00		125,000.00			50,000.00
June 18, 1937	.450	157,000.00		157,000.00			
Do	.513	1,000.00		1,000.00			
June 23, 1937	.156	12,000.00		12,000.00			
June 30, 1937	.186	5,162,000.00		5,162,000.00			
Various series from July 1, 1937, to June 30, 1938, matured during fiscal year [5]	Various					$66,793,000.00	66,793,000.00
All other issues [5]	Various	21,000.00					21,000.00
Total Treasury bills		17,357,000.00		16,401,000.00		66,793,000.00	67,749,000.00
VII. Treasury (war) savings securities:							
Treasury savings certificates:							
Issued Dec. 15, 1921		41,100.00		300.00			40,800.00
Issued Sept. 30, 1922		135,100.00		6,350.00			128,750.00
Issued Dec. 1, 1923		85,075.00		12,825.00			72,250.00
Total Treasury savings certificates		261,275.00		19,475.00			241,800.00
VIII. Total matured debt		118,529,615.26		51,093,205.00	$161,500.00	73,914,100.00	141,350,510.26
DEBT BEARING NO INTEREST							
I. United States notes (less gold reserve)		190,641,585.07					190,641,585.07
II. Old demand notes		53,012.50					53,012.50
III. National and Federal Reserve bank notes		310,038,301.50	$600,000.00	59,110,840.00			251,527,461.50
IV. Fractional currency		1,979,499.00		783.22			1,978,715.78
V. Thrift and Treasury savings stamps (unclassified sales, etc.)		3,262,092.54	197.60	11,105.50			3,251,184.64
Total debt bearing no interest		505,974,490.61	600,197.60	59,122,728.72			447,451,959.49

[1] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.
[2] Interest compounded.
[3] Represents issues in which there were no transactions during the fiscal years 1930 to 1938; for amount of each issue outstanding (unchanged since June 30, 1929), see annual report for 1929, p. 478.
[4] Represents issues in which there were no transactions during the fiscal years 1933 to 1938; for amount of each issue outstanding (unchanged since June 30, 1932), see annual report for 1932, p. 418.
[5] For details, see p. 501.
[6] Represents issues in which there were no transactions during the fiscal years 1935 to 1938; for amount of each issue outstanding (unchanged since June 30, 1934), see annual report for 1934, p. 362.

104825—39——34

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 36.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1937 through June 1938* [1]

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured (or redeemed)
1937		*Percent*		
July 1	Postal savings bonds, series 13	2½		$718,800.00
7	Treasury bills issued Oct. 7, 1936	.162		50,045,000.00
7	Treasury bills maturing Apr. 6, 1938	.490	$50,010,000.00	
14	Treasury bills issued Oct. 14, 1936	.141		50,133,000.00
14	Treasury bills maturing Dec. 16, 1937	.419	50,060,000.00	
14	Treasury bills maturing Apr. 13, 1938	.514	50,000,000.00	
21	Treasury bills issued Oct. 21, 1936	.124		50,060,000.00
21	Treasury bills maturing Dec. 16, 1937	.397	50,137,000.00	
21	Treasury bills maturing Apr. 20, 1938	.502	50,015,000.00	
28	Treasury bills issued Oct. 28, 1936	.120		50,159,000.00
28	Treasury bills maturing Dec. 17, 1937	.372	50,012,000.00	
28	Treasury bills maturing Apr. 27, 1938	.485	50,032,000.00	
31	United States savings bonds, series A–1935	2.9	251,593.00	997,493.00
31	United States savings bonds, series B–1936	2.9	1,010,705.00	2,214,652.75
31	United States savings bonds, series C–1937	2.9	27,076,359.55	1,276,031.25
31	United States savings bonds, unclassified sales	2.9	9,785,757.30	
	Miscellaneous			10,000.00
	Total, July		388,390,414.85	205,613,977.00
Aug. 4	Treasury bills issued Nov. 4, 1936	.115		50,113,000.00
4	Treasury bills maturing Dec. 17, 1937	.228	50,000,000.00	
4	Treasury bills maturing May 4, 1938	.467	50,047,000.00	
11	Treasury bills issued Nov. 10, 1936	.106		50,145,000.00
11	Treasury bills maturing Dec. 18, 1937	.211	50,086,000.00	
11	Treasury bills maturing May 11, 1938	.478	50,057,000.00	
18	Treasury bills issued Nov. 18, 1936	.101		50,083,000.00
18	Treasury bills maturing Dec. 18, 1937	.216	50,018,000.00	
18	Treasury bills maturing May 18, 1938	.459	50,048,000.00	
25	Treasury bills issued Nov. 25, 1936	.084		50,000,000.00
25	Treasury bills maturing Dec. 20, 1937	.332	50,043,000.00	
25	Treasury bills maturing May 25, 1938	.524	50,001,000.00	
31	United States savings bonds, series A–1935	2.9	142,066.75	753,386.00
31	United States savings bonds, series B–1936	2.9	606,401.25	1,857,971.00
31	United States savings bonds, series C–1937	2.9	29,967,546.60	1,393,425.00
31	United States savings bonds, unclassified sales	2.9	1,808,871.19	
	Total, August		432,824,885.79	204,345,782.00
Sept. 1	Treasury bills issued Dec. 2, 1936	.088		50,057,000.00
1	Treasury bills maturing Dec. 20, 1937	.422	50,072,000.00	
1	Treasury bills maturing June 1, 1938	.615	50,028,000.00	
8	Treasury bills issued Dec. 9, 1936	.092		50,027,000.00
8	Treasury bills maturing Dec. 21, 1937	.480	50,224,000.00	
8	Treasury bills maturing June 8, 1938	.711	50,016,000.00	
15	Treasury bills issued Dec. 16, 1936	.117		50,005,000.00
15	Treasury bills maturing June 15, 1938	.584	50,010,000.00	
15	Treasury notes, series A–1937	3¼		41,879,300.00
15	Treasury notes, series A–1937, redeemed in exchange for Treasury notes, series E–1938 and B–1942	3¼		775,604,200.00
15	Treasury notes, series E–1938	1¼	433,460,900.00	
15	Treasury notes, series B–1942	2	342,143,300.00	
16	Treasury bills issued Apr. 21, 1937	.545		50,025,000.00
16	Treasury bills issued Apr. 28, 1937	.543		50,024,000.00
17	Treasury bills issued May 5, 1937	.531		50,045,000.00
17	Treasury bills issued May 12, 1937	.507		50,072,000.00
18	Treasury bills issued May 19, 1937	.479		50,140,000.00
18	Treasury bills issued May 26, 1937	.430		50,182,000.00
18	Treasury bills issued June 2, 1937	.375		50,112,000.00
22	Treasury bills issued Dec. 23, 1936	.225		50,025,000.00
22	Treasury bills maturing June 22, 1938	.441	50,015,000.00	
29	Treasury bills issued Dec. 30, 1936	.294		50,040,000.00
29	Treasury bills maturing June 29, 1938	.384	50,116,000.00	
30	United States savings bonds, series A–1935	2.9	563,881.00	988,041.50
30	United States savings bonds, series B–1936	2.9	649,087.50	2,035,872.75
30	United States savings bonds, series C–1937	2.9	35,790,387.50	1,811,437.50
30	United States savings bonds, unclassified sales	2.9	[4] *9,876,889.87*	
	Total, September		1,154,212,216.13	1,423,072,851.75
Oct. 6	Treasury bills issued Jan. 6, 1937	.316		50,125,000.00
6	Treasury bills maturing July 6, 1938	.436	50,090,000.00	
13	Treasury bills issued Jan. 13, 1937	.333		50,022,000.00
13	Treasury bills maturing July 13, 1938	.429	50,103,000.00	
20	Treasury bills issued Jan. 20, 1937	.345		50,015,000.00
20	Treasury bills maturing July 20, 1938	.352	50,025,000.00	
27	Treasury bills issued Jan. 27, 1937	.361		50,038,000.00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 36.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1937 through June 1938* [1]—Continued.

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured (or redeemed)
1937		*Percent*		
Oct. 27	Treasury bills maturing Mar. 16, 1938	.261	$50,065,000.00	
31	United States savings bonds, series A-1935	2.9	510,685.75	$1,147,964.75
31	United States savings bonds, series B-1936	2.9	648,114.75	2,470,990.25
31	United States savings bonds, series C-1937	2.9	30,139,106.25	2,496,112.50
31	United States savings bonds, unclassified sales	2.9	[4] *2,413,177.91*	
	Miscellaneous			86,000.00
	Total, October		229,167,728.84	206,401,067.50
Nov. 3	Treasury bills issued Feb. 3, 1937	.401		50,385,000.00
3	Treasury bills maturing Mar. 16, 1938	.226	50,119,000.00	
10	Treasury bills issued Feb. 10, 1937	.373		50,025,000.00
10	Treasury bills maturing Mar. 17, 1938	.201	50,044,000.00	
17	Treasury bills issued Feb. 17, 1937	.373		50,027,000.00
17	Treasury bills maturing Mar. 17, 1938	.143	50,050,000.00	
24	Treasury bills issued Feb. 24, 1937	.386		50,024,000.00
24	Treasury bills maturing Mar. 18, 1938	.117	50,152,000.00	
30	United States savings bonds, series A-1935	2.9	427,972.25	1,012,311.50
30	United States savings bonds, series B-1936	2.9	589,985.50	2,029,566.25
30	United States savings bonds, series C-1937	2.9	26,852,493.85	2,123,793.75
30	United States savings bonds, unclassified sales	2.9	1,022,840.02	
	Total, November		229,258,291.62	205,626,671.50
Dec. 1	Treasury bills issued Mar. 3, 1937	.402		50,004,000.00
1	Treasury bills maturing Mar. 18, 1938	.119	50,040,000.00	
8	Treasury bills issued Mar. 10, 1937	.454		50,010,000.00
8	Treasury bills maturing Mar. 19, 1938	.129	50,142,000.00	
15	Treasury notes, series A-1938, redeemed in exchange for Treasury bonds of 1945 and Treasury notes, series C-1942	2⅝		260,669,800.00
15	Treasury bonds of 1945	2½	540,843,550.00	
15	Treasury notes, series C-1942	1¾	232,375,200.00	
15	Treasury bills issued Mar. 17, 1937	.525		50,012,000.00
15	Treasury bills maturing Mar. 19, 1938	.124	50,030,000.00	
16	Treasury bills issued July 14, 1937	.419		44,547,000.00
16	Treasury bills issued July 21, 1937	.397		26,191,000.00
17	Treasury bills issued July 28, 1937	.372		39,121,000.00
17	Treasury bills issued Aug. 4, 1937	.228		38,950,000.00
18	Treasury bills issued Aug. 11, 1937	.211		25,756,000.00
18	Treasury bills issued Aug. 18, 1937	.216		33,038,000.00
20	Treasury bills issued Aug. 25, 1937	.332		30,375,000.00
20	Treasury bills issued Sept. 1, 1937	.422		37,450,000.00
21	Treasury bills issued Sept. 8, 1937	.480		50,224,000.00
22	Treasury bills issued Mar. 24, 1937	.711		50,177,000.00
22	Treasury bills maturing Mar. 23, 1938	.102	50,098,000.00	
29	Treasury bills issued Mar. 31, 1937	.643		50,004,000.00
29	Treasury bills maturing Mar. 30, 1938	.101	50,077,000.00	
31	United States savings bonds, series A-1935	2.9	494,518.50	939,547.00
31	United States savings bonds, series B-1936	2.9	1,078,675.50	2,201,655.25
31	United States savings bonds, series C-1937	2.9	29,361,147.50	1,957,462.50
31	United States savings bonds, unclassified sales	2.9	6,305,876.63	
	Miscellaneous			125,210,500.00
	Total, December		1,060,845,968.13	966,837,964.75
1938				
Jan. 1	Postal savings bonds, series 14	2½		302,140.00
5	Treasury bills issued Apr. 7, 1937	.661		50,049,000.00
5	Treasury bills maturing Apr. 6, 1938	.065	50,000,000.00	
12	Treasury bills issued Apr. 14, 1937	.667		50,022,000.00
12	Treasury bills maturing Apr. 13, 1938	.097	50,027,000.00	
19	Treasury bills issued Apr. 21, 1937	.701		50,300,000.00
19	Treasury bills maturing Apr. 20, 1938	.111	50,130,000.00	
26	Treasury bills issued Apr. 28, 1937	.715		50,052,000.00
26	Treasury bills maturing Apr. 27, 1938	.103	50,035,000.00	
31	United States savings bonds, series A-1935	2.9	243,849.75	865,426.50
31	United States savings bonds, series B-1936	2.9	977,082.50	2,019,247.25
31	United States savings bonds, series C-1937	2.9	28,197,575.00	2,663,965.50
31	United States savings bonds, series C-1938	2.9	11,989,087.50	
31	United States savings bonds, unclassified sales	2.9	60,841,059.79	
	Total, January		302,440,654.54	206,273,779.25

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 36.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1937 through June 1938* [1]—Continued.

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured (or redeemed)
1938		*Percent*		
Feb. 1	Treasury notes, series A-1938	2⅛		$16,009,800.00
2	Treasury bills issued May 5, 1937	.738		50,014,000.00
2	Treasury bills maturing May 4, 1938	.084	$50,060,000.00	
9	Treasury bills issued May 12, 1937	.723		50,027,000.00
9	Treasury bills maturing May 11, 1938	.080	50,144,000.00	
16	Treasury bills issued May 19, 1937	.685		50,044,000.00
16	Treasury bills maturing May 18, 1938	.078	50,063,000.00	
23	Treasury bills issued May 26, 1937	.617		50,019,000.00
23	Treasury bills maturing May 25, 1938	.092	50,276,000.00	
28	United States savings bonds, series A-1935	2.9	136,408.75	684,703.50
28	United States savings bonds, series B-1936	2.9	582,374.00	1,718,295.00
28	United States savings bonds, series C-1937	2.9	40,343,618.25	2,458,317.75
28	United States savings bonds, series C-1938	2.9	8,226,843.75	15,000.00
28	United States savings bonds, unclassified sales	2.9	1,167,303.97	
	Miscellaneous			3,000.00
	Total, February		250,999,548.72	220,903,116.25
Mar. 2	Treasury bills issued June 2, 1937	.562		50,027,000.00
2	Treasury bills maturing June 1, 1938	.086	50,137,000.00	
2	Treasury bills maturing June 16, 1938	.058	50,042,000.00	
9	Treasury bills issued June 9, 1937	.545		50,000,000.00
9	Treasury bills maturing June 8, 1938	.073	50,156,000.00	
9	Treasury bills maturing June 16, 1938	.059	50,033,000.00	
15	Treasury notes, series C-1938, redeemed in exchange for Treasury bonds of 1948	3		450,978,400.00
15	Treasury notes, series C-1938	3		4,197,100.00
15	Treasury bonds of 1948	2½	450,978,400.00	
16	Treasury bills issued June 16, 1937	.572		50,045,000.00
16	Treasury bills issued Oct. 27, 1937	.261		50,065,000.00
16	Treasury bills issued Nov. 3, 1937	.226		50,119,000.00
16	Treasury bills maturing June 15, 1938	.070	50,208,000.00	
16	Treasury bills maturing June 17, 1938	.068	50,025,000.00	
17	Treasury bills issued Nov. 10, 1937	.201		50,044,000.00
17	Treasury bills issued Nov. 17, 1937	.143		50,050,000.00
18	Treasury bills issued Nov. 24, 1937	.117		50,152,000.00
18	Treasury bills issued Dec. 1, 1937	.119		50,040,000.00
19	Treasury bills issued Dec. 8, 1937	.129		50,142,000.00
19	Treasury bills issued Dec. 15, 1937	.124		50,030,000.00
23	Treasury bills issued June 23, 1937	.578		50,120,000.00
23	Treasury bills issued Dec. 22, 1937	.102		50,098,000.00
23	Treasury bills maturing June 17, 1938	.059	50,099,000.00	
23	Treasury bills maturing June 22, 1938	.067	100,282,000.00	
30	Treasury bills issued June 30, 1937	.619		50,015,000.00
30	Treasury bills issued Dec. 29, 1937	.101		50,077,000.00
30	Treasury bills maturing June 18, 1938	.081	50,107,000.00	
30	Treasury bills maturing June 29, 1938	.087	100,097,000.00	
31	United States savings bonds, series A-1935	2.9	547,741.00	843,034.00
31	United States savings bonds, series B-1936	2.9	624,121.50	2,042,204.75
31	United States savings bonds, series C-1937	2.9	573,936.00	3,194,955.00
31	United States savings bonds, series C-1938	2.9	89,822,812.50	409,593.75
31	United States savings bonds, unclassified sales	2.9	[4] *48,310,609.36*	
	Total, March		1,100,422,401.64	1,212,689,287.50
Apr. 6	Treasury bills issued July 7, 1937	.490		50,010,000.00
6	Treasury bills issued Jan. 5, 1938	.065		50,000,000.00
6	Treasury bills maturing July 6, 1938	.139	100,325,000.00	
13	Treasury bills issued July 14, 1937	.514		50,000,000.00
13	Treasury bills issued Jan. 12, 1938	.097		50,027,000.00
13	Treasury bills maturing July 13, 1938	.146	100,188,000.00	
20	Treasury bills issued July 21, 1937	.502		50,015,000.00
20	Treasury bills issued Jan. 19, 1938	.111		50,130,000.00
20	Treasury bills maturing July 20, 1938	.061	100,420,000.00	
27	Treasury bills issued July 28, 1937	.485		50,032,000.00
27	Treasury bills issued Jan. 26, 1938	.103		50,035,000.00
27	Treasury bills maturing July 27, 1938	.037	50,050,000.00	
30	United States savings bonds, series A-1935	2.9	495,545.00	1,036,101.75
30	United States savings bonds, series B-1936	2.9	622,819.25	2,092,774.75
30	United States savings bonds, series C-1937	2.9	403,093.75	3,250,282.75
30	United States savings bonds, series C-1938	2.9	43,635,543.75	834,900.00
30	United States savings bonds, unclassified sales	2.9	[4] *4,990,980.82*	
	Miscellaneous			10,000.00
	Total, April		391,149,020.93	407,473,059.25

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 36.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1937 through June 1938* [1]—Continued.

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured (or redeemed)
1938				
May 4	Treasury bills issued Aug. 4, 1937	.467		$50,047,000.00
4	Treasury bills issued Feb. 2, 1938	.084		50,060,000.00
4	Treasury bills maturing Aug. 3, 1938	.033	$50,021,000.00	
11	Treasury bills issued Aug. 11, 1937	.478		50,057,000.00
11	Treasury bills issued Feb. 9, 1938	.080		50,144,000.00
11	Treasury bills maturing Aug. 10, 1938	.029	50,109,000.00	
18	Treasury bills issued Aug. 18, 1937	.459		50,048,000.00
18	Treasury bills issued Feb. 16, 1938	.078		50,063,000.00
18	Treasury bills maturing Aug. 17, 1938	.027	50,269,000.00	
25	Treasury bills issued Aug. 25, 1937	.524		50,001,000.00
25	Treasury bills issued Feb. 23, 1938	.092		50,276,000.00
25	Treasury bills maturing Aug. 24, 1938	.025	50,409,000.00	
31	United States savings bonds, series A-1935	2.9	414,186.50	896,029.75
31	United States savings bonds, series B-1936	2.9	568,327.00	1,682,428.00
31	United States savings bonds, series C-1937	2.9	381,970.00	2,670,846.75
31	United States savings bonds, series C-1938	2.9	42,896,400.00	957,900.00
31	United States savings bonds, unclassified sales	2.9	[4] *8,904,301.23*	
	Total, May		236,164,582.27	406,903,204.50
June 1	Treasury bills issued Sept. 1, 1937	.615		50,028,000.00
1	Treasury bills issued Mar. 2, 1938	.086		50,137,000.00
1	Treasury bills maturing Aug. 31, 1938	.025	50,020,000.00	
8	Treasury bills issued Sept. 8, 1937	.711		50,016,000.00
8	Treasury bills issued Mar. 9, 1938	.073		50,156,000.00
8	Treasury bills maturing Sept. 7, 1938	.040	100,189,000.00	
15	Treasury bills issued Sept. 15, 1937	.584		50,010,000.00
15	Treasury bills issued Mar. 16, 1938	.070		50,208,000.00
15	Treasury bills maturing Sept. 14, 1938	.027	100,701,000.00	
15	Treasury notes, series B-1938, redeemed in exchange for Treasury bonds of 1958-63	2⅞		571,736,200.00
15	Treasury notes, series B-1938, redeemed in exchange for Treasury notes, series A-1943	2⅞		36,142,600.00
15	Treasury notes, series B-1938	2⅞		10,178,000.00
15	Treasury notes, series D-1938, redeemed in exchange for Treasury bonds of 1958-63	2½		347,044,400.00
15	Treasury notes, series D-1938, redeemed in exchange for Treasury notes, series A-1943	2½		231,633,000.00
15	Treasury bonds of 1958-63	2¾	918,780,600.00	
15	Treasury notes, series A-1943	1⅛	267,775,600.00	
16	Treasury bills issued Mar. 2, 1938	.058		50,042,000.00
16	Treasury bills issued Mar. 9, 1938	.059		50,033,000.00
17	Treasury bills issued Mar. 16, 1938	.068		50,025,000.00
17	Treasury bills issued Mar. 23, 1938	.059		50,099,000.00
18	Treasury bills issued Mar. 30, 1938	.081		50,107,000.00
22	Treasury bills issued Sept. 22, 1937	.441		50,015,000.00
22	Treasury bills issued Mar. 23, 1938	.067		100,282,000.00
22	Treasury bills maturing Sept. 21, 1938	.016	101,150,000.00	
29	Treasury bills issued Sept. 29, 1937	.384		50,116,000.00
29	Treasury bills issued Mar. 30, 1938	.087		100,097,000.00
29	Treasury bills maturing Sept. 28, 1938	.011	100,095,000.00	
30	United States savings bonds, series A-1935	2.9	480,540.25	802,025.00
30	United States savings bonds, series B-1936	2.9	1,041,517.25	1,911,480.75
30	United States savings bonds, series C-1937	2.9	363,685.75	2,591,318.25
30	United States savings bonds, series C-1938	2.9	36,612,000.00	1,281,450.00
30	United States savings bonds, unclassified sales	2.9	[4] *4,124,159.18*	
30	Miscellaneous			3,400.00
	Total, June		1,673,084,784.07	2,054,694,874.00
	Total for fiscal year 1938		7,448,960,497.53	7,720,925,635.25

[1] On basis of daily Treasury statements (unrevised), supplemented by special statements on public debt issues, redemptions, and exchanges by the Public Debt Service.

[2] For Treasury bills, average rates on a bank discount basis are shown; for United States savings bonds, the approximate yield to maturity is shown.

[3] For United States savings bonds amounts shown represent cash receipts and/or accruals.

[4] Deduct. Represents excess of amounts transferred from unclassified sales to sales of a designated series over amounts received as unclassified sales.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 37.—*Sources of public debt increase or decrease for the fiscal years 1915 to 1938*

[On basis of daily Treasury statements (unrevised), see p. 351]

[In thousands]

Year	Public debt retirements chargeable against ordinary receipts							
		Foreign payments						
	Sinking fund	Cash repayments of principal	Bonds, etc., received as repayments of principal	Bonds, etc., received as interest payments	Bonds and notes received for estate taxes	Franchise tax receipts, Federal Reserve banks	Net earnings, Federal intermediate credit banks	Miscellaneous gifts, forfeitures, etc.
1915								
1916								
1917								
1918						$1,134		
1919		$7,922			$93			
1920		72,670			3,141	2,922		$13
1921	$261,100	73,939			26,349	60,724		[1] 5,010
1922	276,046	64,838			21,085	60,333		393
1923	284,019	32,140		$68,753	6,569	10,815		555
1924	295,987	38,509	$22,965	87,914	8,897	3,635		93
1925	306,309	386	22,823	135,970	47	114	$680	208
1926	317,092	4,394	29,000	136,260		59	509	63
1927	333,528	19,254	25,000	134,962		818	414	5,578
1928	354,741	19,068	27,429	135,307	2	250	369	3,090
1929	370,277	571	37,895	137,747	20	2,667	266	160
1930	388,369	51,135	40,335	69,456	73	4,283	172	61
1931	391,660	48,246				18	74	85
1932	412,555				1		21	53
1933	425,660	30,977	1,546	1,364		2,037		21
1934	359,492		210	147				15
1935	573,001				1			556
1936	403,238							1
1937	103,815			142				14
1938	65,122		68	142				133
Total	5,922,011	464,049	207,271	908,164	66,278	149,809	2,505	16,102

Year	Total public debt retirements chargeable against ordinary receipts	Surplus or deficit [2] of receipts (general, special, and trust accounts combined) [3]	Increase or decrease [2] in General Fund balance	Increase or decrease [2] in gross debt	Total gross debt	General Fund balance
1915					$1,191,362	$158,142
1916		$48,478	$82,262	$33,783	1,225,146	240,404
1917		*853,357*	897,116	1,750,473	2,975,619	1,137,520
1918	$1,134	*9,053,254*	447,487	9,479,607	12,455,225	1,585,007
1919	8,015	*13,370,637*	*333,342*	13,029,281	25,484,506	1,251,665
1920	78,746	212,475	*893,963*	*1,185,185*	24,299,321	357,702
1921	427,123	86,724	191,977	*321,871*	23,977,451	549,678
1922	422,695	313,802	*277,573*	*1,014,069*	22,963,382	272,106
1923	402,850	309,657	98,834	*613,674*	22,349,707	370,939
1924	458,000	505,367	*135,528*	*1,098,894*	21,250,813	235,411
1925	466,538	250,505	*17,576*	*734,619*	20,516,194	217,836
1926	487,376	377,768	*7,884*	*872,978*	19,643,216	210,002
1927	519,555	635,810	24,055	*1,131,309*	18,511,907	234,057
1928	540,255	398,828	31,470	*907,614*	17,604,293	265,527
1929	549,604	184,787	61,186	*673,205*	16,931,088	326,713
1930	553,884	183,789	*8,106*	*745,779*	16,185,310	318,607
1931	440,082	*902,717*	153,337	615,972	16,801,281	471,944
1932	412,630	[4] *3,153,097*	*54,747*	2,685,721	19,487,002	417,197
1933	461,605	[4] *3,068,267*	445,008	3,051,670	22,538,672	862,205
1934	359,864	[4] *3,154,616*	1,719,717	4,514,469	27,053,141	2,581,922
1935	573,558	[4] *2,961,886*	*740,576*	1,647,752	28,700,893	1,841,346
1936	403,240	[4] *4,640,726*	840,164	5,077,650	33,778,543	2,681,510
1937	103,971	[4] *2,878,078*	*128,097*	2,646,070	36,424,613	2,553,473
1938	65,465	[4] *1,143,147*	*337,555*	740,127	37,164,740	2,215,918
Total	7,736,190	*41,651,792*	2,057,776	35,973,378		

[1] Includes $4,842,066.45 written off the debt Dec. 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.

[2] Deficit and decrease in italics.

[3] For explanation of accounts, see p. 352.

[4] Covers all expenditures of the Reconstruction Finance Corporation including payments against credits established for the Reconstruction Finance Corporation through the purchase of its notes under section 9 of the Reconstruction Finance Corporation Act.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 37.—*Sources of public debt increase or decrease for the fiscal years 1915 to 1938*—Continued

RECAPITULATION

Retirements from—		
Charges against ordinary receipts	$7,736,190	
Surplus of receipts	3,507,990	
Total		$11,244,180
Increase in debt on account of—		
Deficit in ordinary receipts	45,159,782	
Increase in General Fund balance	2,057,776	
Total		47,217,558
Net increase		35,973,378
Gross debt:		
June 30, 1915	1,191,362	
June 30, 1938	37,164,740	
Net increase		35,973,378

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 38.—*Transactions on account of the cumulative sinking fund during the fiscal year 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Unexpended balance July 1, 1937			$618,916,803.86
Appropriation for 1938:			
Initial credit:			
(a) Under the Victory Liberty Loan Act (2½% of the aggregate amount of Liberty bonds and Victory notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign governments held by the United States on July 1, 1920)	$253,404,864.87		
(b) Under the Emergency Relief and Construction Act of 1932 (2½% of the aggregate amount of expenditures from appropriations made or authorized under this act)	7,843,944.10		
(c) Under the National Industrial Recovery Act (2½% of the aggregate amount of expenditures from appropriations made or authorized under this act)	78,257,699.99		
		$339,506,508.96	
Secondary credit (the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years)		238,102,871.90	
			577,609,380.86
Total available, 1938			1,196,526,189.72
Securities retired in 1938:			
Treasury bonds:	*Par amount*	*Principal cost*	
4¼% of 1947–52	$10,000.00	$10,000.00	
4% of 1944–54	10,000.00	10,000.00	
3% of 1951–55	35,000.00	35,000.00	
3¼% of 1943–45	6,000.00	6,000.00	
3¼% of 1941	10,000.00	10,000.00	
2⅞% of 1955–60	12,000.00	12,000.00	
Treasury notes:			
3½%, series A–1937	40,297,300.00	40,297,300.00	
2⅝%, series A–1938	14,723,000.00	14,723,000.00	
2⅛%, series B–1938	6,645,000.00	6,645,000.00	
3%, series C–1938	3,484,100.00	3,484,100.00	
Total	65,232,400.00	65,232,400.00	
			65,232,400.00
Unexpended balance June 30, 1938			1,131,293,789.72

TABLE 39.—*Transactions on account of the cumulative sinking fund for the fiscal years 1921 to 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Year	Appropriation available [1]	Debt retired (par amount)	Expended (principal cost)
1921	$256,230,010.66	$261,250,250.00	$254,844,576.50
1922	274,516,965.89	275,896,000.00	274,481,902.16
1923	284,156,439.19	284,018,800.00	284,149,754.16
1924	294,927,023.26	295,987,350.00	294,927,019.57
1925	306,666,759.52	306,308,400.00	306,666,736.01
1926	321,184,577.22	317,091,750.00	321,184,468.20
1927	336,890,916.27	333,528,400.00	336,890,832.47
1928	355,081,401.18	354,741,300.00	355,080,563.11
1929	370,241,327.02	370,277,100.00	370,241,297.84
1930	382,925,568.19	388,368,950.00	382,925,400.49
1931	392,152,206.17	391,660,000.00	392,152,187.50
1932	410,850,121.31	412,554,750.00	410,850,073.60
1933	425,575,012.75	425,660,300.00	425,569,628.44
1934	438,540,888.81	359,491,900.00	359,186,053.82
1935	573,183,651.62	573,000,000.00	573,000,000.00
1936	553,224,372.89	403,340,750.00	403,340,750.00
1937	722,650,458.86	103,733,650.00	103,733,650.00
1938	1,196,526,189.72	65,232,400.00	65,232,400.00
Total	7,045,751,083.59	5,922,142,050.00	5,914,457,293.87

[1] Unexpended balance each year included in appropriation available for next year, but excluded from total. Unexpended balance $1,131,293,789.72 at end of 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 40.—*Securities retired through the cumulative sinking fund, par amount and principal cost, to June 30, 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Issue	Par amount	Principal cost
Liberty bonds:		
First 3½'s	$142,090,650.00	$142,090,650.00
First 4's	1,831,600.00	1,824,103.09
First 4¼'s	123,491,600.00	123,493,498.13
First-second 4¼'s	428,800.00	428,800.00
Second 4's	670,900.00	671,196.27
Second 4¼'s	374,735,400.00	374,988,667.88
Third 4¼'s	1,261,876,000.00	1,268,640,946.97
Fourth 4¼'s	1,043,670,550.00	1,043,484,085.28
Victory notes:		
3¾'s	106,186,900.00	104,542,256.28
4¾'s	610,584,150.00	604,769,347.07
Treasury bonds:		
4¼% of 1947–52	10,000.00	10,000.00
4% of 1944–54	69,100.00	69,100.00
3¾% of 1946–56	7,000.00	7,000.00
3⅜% of 1943–47	38,901,550.00	38,169,957.24
3⅜% of 1940–43	6,045,000.00	5,935,096.05
3⅜% of 1941–43	49,353,000.00	48,487,927.18
3⅛% of 1946–49	2,321,500.00	2,310,379.60
3% of 1951–55	8,678,300.00	8,517,873.61
3¼% of 1941	589,900.00	581,378.40
3¼% of 1943–45	609,750.00	602,614.64
3¼% of 1944–46	121,150.00	121,150.00
3% of 1946–48	10,000.00	10,000.00
3⅛% of 1949–52	2,000.00	2,000.00
2⅞% of 1955–60	55,050.00	55,050.00
2¾% of 1945–47	24,950.00	24,950.00
Treasury notes:		
5¼%, series B–1924	103,000,000.00	103,028,635.62
4¾%, series A–1925	101,000,000.00	101,004,123.53
4½%, series B–1925	11,315,900.00	11,279,715.38
4½%, series C–1925	113,199,900.00	113,196,011.61
4¾%, series A–1926	1,018,300.00	1,018,300.00
4¼%, series B–1926	9,564,200.00	9,485,492.59
4½%, series A–1927	26,798,000.00	26,880,711.16
4¾%, series B–1927	60,217,900.00	60,217,900.00
3½%, series A–1930–32	691,284,850.00	687,390,338.29
3½%, series B–1930–32	41,989,300.00	41,682,698.99
3½%, series C–1930–32	359,556,100.00	358,811,853.00
3¼%, series 1932	418,764,000.00	418,764,000.00
3%, series A–1934	7,513,700.00	7,513,700.00
2½%, series D–1935	6,940,000.00	6,940,000.00
3¼%, series A–1936	18,573,600.00	18,581,100.00
2¾%, series B–1936	10,555,100.00	10,542,080.01
2⅞%, series C–1936	25,951,900.00	25,913,939.07
1⅛%, series D–1936	1,875,900.00	1,875,900.00
1⅛%, series E–1936	7,862,800.00	7,862,800.00
3¼%, series A–1937	57,215,300.00	57,209,592.52
3%, series B–1937	22,473,500.00	22,438,520.95
3%, series C–1937	21,562,900.00	21,562,900.00
2⅝%, series A–1938	15,560,000.00	15,541,747.20
2⅞%, series B–1938	12,500,000.00	12,393,106.26
3%, series C–1938	3,484,100.00	3,484,100.00
Total	5,922,142,050.00	5,914,457,293.87

Interest on the public debt

TABLE 41.—*Interest on the public debt, payable, paid, and outstanding unpaid for the fiscal year 1938*

[On basis of daily Treasury statements (revised), see p. 351]

Issue	Outstanding unpaid June 30, 1937	Due and payable during 1938	Payments during 1938	Outstanding unpaid June 30, 1938
Pre-war loans	$455,240.32	$5,332,952.44	$5,332,025.79	$456,166.97
Liberty and Victory loans	8,168,504.22	12.90	787,675.55	7,380,841.57
Treasury bonds	19,202,410.80	619,627,406.04	618,172,501.64	20,657,315.20
Treasury notes	2,547,787.91	237,710,856.96	237,800,940.74	2,457,704.13
Certificates of indebtedness	868,562.39	16,641,950.88	16,648,800.01	861,713.26
Treasury (war) savings securities [1]	3,610,850.00	[2] *147.66*	81,187.34	3,529,515.00
Treasury bills [1]	----------	4,121,260.80	4,121,260.80	----------
United States savings bonds [1]	----------	17,144,107.00	17,144,107.00	----------
Adjusted service bonds	12,123,535.32	33,539,748.61	26,158,773.55	19,504,510.38
Total	46,976,890.96	934,118,147.97	926,247,272.42	54,847,766.51

[1] Amounts represent discount treated as interest. [2] Adjustment, deduct.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 42.—*Interest paid on the public debt, by issues, for the fiscal years 1936 to 1938* [1]

[On basis of warrants issued, see p. 352]

Title	Rate of interest	1936	1937	1938
Debt unmatured as of June 30, 1938:	*Percent*			
Panama Canal loan of 1961	3	$1,489,725.50	$1,516,277.50	$1,502,874.50
Conversion bonds of 1946–47	3	860,772.75	872,103.75	866,409.75
Postal savings bonds	2½	2,766,353.65	2,979,557.50	2,958,038.50
Treasury bonds of 1947–52	4¼	32,080,294.03	32,199,239.68	32,303,392.77
Treasury bonds of 1944–54	4	41,541,246.00	41,393,000.00	41,454,000.59
Treasury bonds of 1946–56	3¾	18,353,162.78	18,341,131.92	18,285,570.95
Treasury bonds of 1943–47	3⅜	15,432,494.95	15,306,326.58	15,345,137.54
Treasury bonds of 1940–43	3⅜	11,969,497.94	11,889,212.75	11,971,083.72
Treasury bonds of 1941–43	3⅜	18,372,682.26	18,326,148.83	18,356,204.46
Treasury bonds of 1946–49	3⅛	25,633,607.93	25,611,702.31	25,587,215.04
Treasury bonds of 1951–55	3	22,483,624.50	22,556,454.00	22,600,981.56
Treasury bonds of 1941	3¼	27,070,990.52	27,105,560.87	27,102,772.93
Treasury bonds of 1943–45	3¼	45,302,834.56	45,428,975.53	45,449,424.90
Treasury bonds of 1944–46	3¼	48,909,347.51	49,171,539.26	49,247,495.35
Treasury bonds of 1946–48	3	26,815,618.17	31,053,498.75	31,040,592.75
Treasury bonds of 1949–52	3⅛	15,340,089.05	15,354,762.30	15,302,693.67
Treasury bonds of 1955–60	2⅞	66,042,601.35	74,527,230.47	74,838,476.86
Treasury bonds of 1945–47	2¾	11,808,827.38	33,230,754.00	33,316,670.09
Treasury bonds of 1948–51	2¾	[2] *32.75*	33,476,862.49	33,614,686.58
Treasury bonds of 1951–54	2¾	[2] *99.38*	44,023,726.09	44,493,593.52
Treasury bonds of 1956–59	2¾		13,368,439.33	26,896,694.73
Treasury bonds of 1949–53	2½		18,588,511.18	44,301,905.46
Treasury bonds of 1945	2½			6,663,908.17
United States savings bonds, series A–1935	[3] 2.9	1,231,289.75	5,020,300.00	4,708,238.50
United States savings bonds, series B–1936	[3] 2.9		2,156,612.50	8,997,336.00
United States savings bonds, series C–1937	[3] 2.9			3,438,532.50
Adjusted service bonds of 1945	3		501,414.74	3,651,665.51
Adjusted service bonds, Government life insurance fund series, 1946	4½		22,507,108.04	22,507,108.04
Treasury notes at various interest rates		221,401,953.15	191,150,871.07	151,518,154.82
Treasury notes, old-age reserve account series	3		2,261,810.97	15,412,232.89
Treasury notes, railroad retirement account series	3			1,410,821.92
Treasury notes, civil service retirement fund series	4	8,815,956.28	10,971,210.96	12,511,978.08
Treasury notes, foreign service retirement fund series	4	103,483.39	103,680.22	118,519.78
Treasury notes, Canal Zone retirement fund series	4	40,221.10	126,745.21	142,419.07
Treasury notes, Alaska Railroad retirement fund series	4		490.96	10,972.28
Certificates of indebtedness, adjusted service certificate fund series	4	2,254,196.72	124,887.67	49,205.48
Treasury bills [4]		2,413,059.52	6,604,740.50	599,764.01
Treasury notes, Postal Savings System series	2	1,623,860.80	2,306,906.07	684,972.37
Treasury notes, Federal Deposit Insurance Corporation series	2	2,000,000.00	1,985,164.84	1,898,201.52
Debt matured as of June 30, 1938:				
Old debt matured issued prior to Apr. 1, 1917		725.42	438.13	919.69
First Liberty loan bonds	3½	1,119,766.97	256,874.87	122,826.63
First Liberty loan bonds (converted)	4	28,627.56	5,853.52	9,036.63
First Liberty loan bonds (converted)	4¼	1,586,451.48	132,716.62	76,745.39
First Liberty loan bonds (second converted)	4¼	4,998.62	270.92	332.54
Second Liberty loan bonds	4	16,139.00	7,644.00	8,070.00
Second Liberty loan bonds (converted)	4¼	22,632.51	19,975.25	11,868.49
Third Liberty loan bonds	4½	57,115.43	36,804.54	62,837.05
Fourth Liberty loan bonds	4¼	29,979,567.32	846,741.66	492,180.69
Victory Liberty loan notes	4¾	6,430.48	4,896.91	3,778.13
Treasury notes at various interest rates		28,125,808.27	33,987,873.27	51,623,033.25
Treasury notes, civil service retirement fund series	4	2,174,163.93	1,351,594.51	2,450,794.53
Treasury notes, foreign service retirement fund series	4	13,479.35	21,192.01	15,376.77
Treasury notes, Canal Zone retirement fund series	4	71,005.36	2,922.43	3,463.46
War savings stamps		113,872.37	83,749.38	80,162.34
Treasury savings certificates		2,200.00	1,125.00	1,025.00
Consols of 1930	2	2,985,193.00	362.00	3,781.75
Panama Canal loan of 1916–36	2	244,213.10	217.00	1.60
Panama Canal loan of 1918–38	2	129,561.80	20.00	
Treasury bills		791,320.41	1,139,825.00	3,521,496.79
Treasury certificates	2	1,317.50	969.50	334.50

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 42.—*Interest paid on the public debt, by issues, for the fiscal years 1936 to 1938*—Continued

Title	Rate of interest	1936	1937	1938
Debt matured as of June 30, 1938—Continued.				
Certificates of indebtedness, unemployment trust fund series	*Percent* 2½	$91,700.94	$2,737,181.92	$15,172,022.11
Certificates of indebtedness, at various interest rates		20,701.00	6,671.45	6,514.63
Certificates of indebtedness adjusted service certificate fund series	4	8,151,912.31	4,009,814.21	1,420,723.29
Total		747,896,613.54	866,798,692.94	926,247,272.42

[1] For details for the fiscal years 1918 to 1929, see Annual Report for 1929, p. 503; and for later years, similar tables in subsequent reports.
[2] Deduct excess of credits, collection of interest accruals, and counter warrant adjustments.
[3] Approximate yield if held to maturity.
[4] Sold on a discount basis.

TABLE 43.—*Amount of interest-bearing debt outstanding, the computed annual interest charge, and the computed rate of interest, for the fiscal years 1916 to 1938 and by months from July 1937 to June 1938* [1]

[On basis of daily Treasury statements (revised), see p. 351]

Year and month	Interest-bearing debt [2]	Computed annual interest charge	Computed rate of interest
End of June 30—			*Percent*
1916	$971,562,590	$23,084,635	2.376
1917	2,712,549,476	83,625,482	3.120
1918	11,985,882,436	468,618,544	3.910
1919	25,234,496,273	1,054,204,509	4.178
1920	24,061,095,361	1,016,592,219	4.225
1921	23,737,352,080	1,029,917,903	4.339
1922	22,711,035,587	962,896,535	4.240
1923	22,007,590,754	927,331,341	4.214
1924	20,981,586,429	876,960,673	4.180
1925	20,210,906,251	829,680,044	4.105
1926	19,383,770,860	793,423,952	4.093
1927	18,250,943,965	722,675,553	3.960
1928	17,317,695,096	671,353,112	3.877
1929	16,638,941,379	656,654,311	3.946
1930	15,921,892,350	606,031,831	3.807
1931	16,519,588,640	588,987,438	3.566
1932	19,161,273,540	671,604,676	3.505
1933	22,157,643,120	742,175,955	3.350
1934	26,480,487,920	842,301,133	3.181
1935	27,645,229,826	750,677,802	2.716
1936	32,755,631,770	838,002,053	2.559
1937	35,802,586,915	924,347,089	2.582
1938	36,578,684,982	947,164,071	2.589
Month ended—			
1937—July	36,117,153,849	931,155,107	2.579
August	36,453,104,592	936,102,151	2.569
September	36,266,690,200	924,417,131	2.550
October	36,368,177,015	927,283,009	2.550
November	36,513,551,612	930,783,843	2.550
December	36,715,387,252	942,639,390	2.568
1938—January	36,893,508,228	946,496,660	2.566
February	37,083,590,867	950,246,353	2.563
March	37,004,126,894	948,386,944	2.563
April	36,966,498,314	947,999,382	2.565
May	36,873,190,047	949,705,655	2.576
June	36,578,684,982	947,164,071	2.589

[1] For monthly data back to June 30, 1916, see annual reports for 1929, p. 509; for 1936, p. 442; and for 1937, p. 442.
[2] The interest-bearing debt includes discount on Treasury bills from June 30, 1930, the amount being deducted from the interest-bearing debt prior to calculating the average interest rate.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 44.—*Contingent liabilities of the United States, June 30, 1938 (revised)*

[Compiled from latest reports received by the Treasury]

Title	Authorizing act	Amount			
		Principal	Interest [1]	Total	
GUARANTEED BY THE UNITED STATES					
Commodity Credit Corporation:					
¾% notes, series C, 1939	March 8, 1938	$206,174,000.00	$254,192.21		$206,428,192.21
Federal Farm Mortgage Corporation:					
3% bonds of 1944–49	Jan. 31, 1934, as amended	862,085,600.00	3,304,661.47	$865,390,261.47	
3¼% bonds of 1944–64	do	98,028,600.00	938,079.24	98,966,679.24	
3% bonds of 1942–47	do	236,476,200.00	3,271,254.10	239,747,454.10	
2¾% bonds of 1942–47	do	103,147,500.00	945,518.75	104,093,018.75	
1½% bonds of 1939	do	100,122,000.00	500,610.00	100,622,610.00	
1¼% bonds of 1939	do	9,900,000.00	20,625.00	9,920,625.00	
		[2] 1,409,759,900.00	8,980,748.56		1,418,740,648.56
Federal Housing Administration:					
3% debentures	June 27, 1934, as amended	583,459.76	8,825.04		592,284.80
Home Owners' Loan Corporation:					
3% bonds, series A, 1944–52	June 13, 1933, as amended	808,056,600.00	4,040,271.00	812,096,871.00	
2¾% bonds, series B, 1939–49	do	999,013,400.00	11,447,027.37	1,010,460,427.37	
2% bonds, series E, 1938	do	49,532,100.00	371,490.75	49,903,590.75	
1½% bonds, series F, 1939	do	325,254,750.00	406,568.44	325,661,318.44	
2¼% bonds, series G, 1942–44	do	755,312,275.00	†135,000.00	755,177,275.00	
		[3] 2,937,169,125.00	16,130,357.56		[4] 2,953,299,482.56
Reconstruction Finance Corporation:					
1½% notes, series K	Jan. 22, 1932, as amended	298,872,666.67	199,732.08		[5] 299,072,398.75
Tennessee Valley Authority	May 18, 1933, as amended				
U. S. Housing Authority	Sept. 1, 1937, as amended	(6)			
U. S. Maritime Commission	June 29, 1936, as amended				
Total, based upon guarantees					4,878,133,006.88
ON CREDIT OF THE UNITED STATES					
Secretary of Agriculture	May 12, 1933				
Postal Savings System, funds due depositors	June 25, 1910, as amended	1,261,699,416.10	32,927,920.08	[7] 1,294,627,336.18	
Tennessee Valley Authority	May 18, 1933, as amended				
Total, based upon credit of the United States					1,294,627,336.18
OTHER OBLIGATIONS					
Federal Reserve notes (face amount)	Dec. 23, 1913, as amended				[8] 4,139,147,770.18

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

DESCRIPTION OF CONTINGENT LIABILITIES

Title	Extent of guaranty by the United States	Tax exemptions	Rate of interest	Date of issue	Redeemable (on and after)	Payable	Interest payable
GUARANTEED BY THE UNITED STATES							
Commodity Credit Corporation:			*Percent*				
¾% notes, series C, 1939	Principal and interest	(a)	¾	May 2, 1938		Nov. 2, 1939	May 2, Nov. 2.
Federal Farm Mortgage Corporation:							
3% bonds of 1944–49	do	(a)	3	May 15, 1934	May 15, 1944	May 15, 1949	May 15, Nov. 15.
3¼% bonds of 1944–64	do	(a)	3¼	Mar. 15, 1934	Mar. 15, 1944	Mar. 15, 1964	Mar. 15, Sept. 15.
3% bonds of 1942–47	do	(a)	3	Jan. 15, 1935	Jan. 15, 1942	Jan. 15, 1947	Jan. 15, July 15.
2¾% bonds of 1942–47	do	(a)	2¾	Mar. 1, 1935	Mar. 1, 1942	Mar. 1, 1947	Mar. 1, Sept. 1.
1½% bonds of 1939	do	(a)	1½	Sept. 3, 1935		Sept. 1, 1939	Do.
1¼% bonds of 1939	do	(a)	1¼	Nov. 1, 1937		Nov. 1, 1939	May 1, Nov. 1.
Federal Housing Administration:							
3% debentures	do	(b)	3	Various		Various	Jan. 1, July 1.
Home Owners' Loan Corporation:							
3% bonds, series A, 1944–52	do	(c)	3	May 1, 1934	May 1, 1944	May 1, 1952	May 1, Nov. 1.
2¾% bonds, series B, 1939–49	do	(c)	2¾	Aug. 1, 1934	Aug. 1, 1939	Aug. 1, 1949	Feb. 1, Aug. 1.
2% bonds, series E, 1938	do	(c)	2	Aug. 15, 1934		Aug. 15, 1938	Feb. 15, Aug. 15.
1½% bonds, series F, 1939	do	(c)	1½	June 1, 1935		June 1, 1939	June 1, Dec. 1.
2¼% bonds, series G, 1942–44	do	(c)	2¼	July 1, 1935	July 1, 1942	July 1, 1944	Jan. 1, July 1.
Reconstruction Finance Corporation:							
1½% notes, series K	do	(d)	1½	Various		Dec. 15, 1938	June 15, Dec. 15.
Tennessee Valley Authority	(9)						
U. S. Housing Authority	(10)						
U. S. Maritime Commission	(11)						
ON CREDIT OF THE UNITED STATES							
Secretary of Agriculture	(12)						
Postal Savings System	(13)		2	Date of deposit		On demand	Quarterly from first day of month following date of deposit.
Tennessee Valley Authority	(14)						
OTHER OBLIGATIONS							
Federal Reserve notes	(15)						

†Excess credits, deduct.

[1] After deducting amounts of funds deposited with the Treasurer of the United States to meet interest payments.

[2] Includes only bonds issued and outstanding.

[3] Includes only unmatured bonds issued and outstanding. Funds have been deposited with the Treasurer of the United States for payment of matured bonds which have not been presented for redemption.

(Footnotes continued on following page.)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 44.—*Contingent liabilities of the United States, June 30, 1938 (revised)*—Continued

[4] Does not include $15,000,000 face amount of series "I" bonds and accrued interest thereon, held by Treasury and reflected in the public debt.
[5] Does not include $863,692,166.28 face amount of notes and accrued interest thereon, held by Treasury and reflected in the public debt.
[6] Notes in the face amount of $4,000,000 are held by the Treasury and reflected in the public debt.
[7] Figures as of Apr. 30, 1933—figures as of June 30, 1938, are not available. Offset by cash in designated depository banks and the accrued interest amounting to $120,093,404.66, which is secured by the pledge of collateral as provided in the Regulations of the Postal Savings System, having a face value of $120,515,863.25, cash in possession of System amounting to $62,722,999.06, Government and Government-guaranteed securities with a face value of $1,101,561,010 held as investments, and other assets.
[8] In actual circulation, exclusive of $9,387,519.82 redemption fund deposited in the Treasury and $272,279,710 of their own Federal Reserve notes held by the issuing banks. The collateral security for Federal Reserve notes issued consists of $4,533,632,130 in gold certificates and in credits with the Treasurer of the United States payable in gold certificates, and $7,237,000 face amount of commercial paper.
[9] The Tennessee Valley Authority is authorized and empowered to issue bonds not exceeding $50,000,000 in amount outstanding at any one time, having a maturity not more than 50 years from date of issue thereof, and bearing interest not exceeding 3½ percent per annum. Such bonds shall be fully and unconditionally guaranteed both as to principal and interest by the United States.
[10] The U. S. Housing Authority is authorized to issue obligations, in the form of notes, bonds, or otherwise, in an amount not to exceed $800,000,000, which shall be in such forms and denominations, mature within such periods not exceeding 60 years from date of issue, bear such rates of interest not exceeding 4 percent per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both principal and interest.
[11] Debentures authorized to be issued by the U. S. Maritime Commission under the Merchant Marine Act, 1936, as amended, shall be fully and unconditionally guaranteed as to principal and interest by the United States.
[12] The Secretary of Agriculture is authorized pursuant to act of May 12, 1933, to borrow money upon all cotton in his possession or control and deposit as collateral for such loans warehouse receipts for such cotton.
[13] The faith of the United States is solemnly pledged to the payment of the deposits made in Postal Savings depository offices, with accrued interest thereon.
[14] The Tennessee Valley Authority is authorized and empowered to issue on the credit of the United States serial bonds not exceeding $50,000,000 in amount, having a maturity not more than 50 years from the date of issue thereof, and bearing interest not exceeding 3½ percent per annum.
[15] Federal Reserve notes are obligations of the United States and shall be receivable by all national and member banks and Federal Reserve banks and for all taxes, customs, and other public dues. They are redeemable in lawful money on demand at the Treasury Department, in the city of Washington, D. C., or at any Federal Reserve bank.

TAX EXEMPTIONS:

[a] Bonds and the income derived therefrom exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes).
[b] The National Housing Act as amended by the National Housing Act Amendments of 1938, approved Feb. 3, 1938, reads in part as follows: "Such debentures as are issued in exchange for property covered by mortgages insured under sec. 203 or sec. 207 prior to the date of enactment of the National Housing Act Amendments of 1938 shall be subject only to such Federal, State, and local taxes as the mortgages in exchange for which they are issued would be subject to in the hands of the holder of the debentures. * * * Such debentures as are issued in exchange for property covered by mortgages insured after the date of enactment of the National Housing Act Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority."
[c] Exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.
[d] Exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 45.—*Average yield on long-term United States Government bonds, by months, January 1919 to June 1938* [1]

[Averages of daily figures. Percent per annum]

Month	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928
January	[2] 4.63	4.93	5.23	4.45	4.32	4.30	3.96	3.77	3.51	3.18
February	[2] 4.70	5.05	5.28	4.50	4.33	4.28	3.95	3.71	3.48	3.19
March	[2] 4.73	5.09	5.27	[2] 4.41	4.38	4.28	3.96	3.71	3.37	3.17
April	[2] 4.72	5.28	5.24	4.28	4.39	4.23	3.93	3.70	3.35	3.20
May	[2] 4.67	5.58	5.25	4.26	4.37	4.15	3.87	3.67	3.31	3.24
June	[2] 4.69	[2] 5.54	5.27	4.24	4.34	3.98	3.79	3.67	3.34	3.29
July	[2] 4.72	5.57	5.26	4.14	4.34	3.94	3.79	3.68	3.36	3.42
August	[2] 4.78	5.67	5.22	4.12	4.35	3.91	3.85	3.70	3.32	3.48
September	[2] 4.73	[2] 5.43	5.12	4.19	4.36	3.92	3.85	3.70	3.30	3.46
October	[2] 4.71	5.08	4.83	4.30	4.40	3.87	3.82	3.68	3.29	3.47
November	[2] 4.81	5.21	4.64	4.33	4.37	3.90	3.79	3.62	3.23	3.38
December	[2] 4.90	5.40	4.47	4.32	4.35	3.96	3.80	3.56	3.17	3.45
Average	[2] 4.73	5.32	5.09	4.30	4.36	4.06	3.86	3.68	3.34	3.33

Month	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
January	3.52	3.43	3.20	4.26	3.22	3.50	2.88	2.80	2.47	2.65
February	3.62	3.41	3.30	4.11	3.31	3.32	2.79	2.77	2.46	2.64
March	3.74	3.29	3.27	3.92	3.42	3.20	2.77	2.71	2.60	2.64
April	3.64	3.37	3.26	3.68	3.42	3.11	2.74	2.68	2.80	2.62
May	3.64	3.31	3.16	3.76	3.30	3.02	2.72	2.66	2.76	2.51
June	3.69	3.25	3.13	3.76	3.21	2.98	2.72	2.66	2.76	2.52
July	3.64	3.25	3.15	3.58	3.20	2.92	2.69	2.65	2.72	----
August	3.71	3.26	3.18	3.45	3.21	3.03	2.76	2.61	2.72	----
September	3.70	3.24	3.25	3.42	3.19	3.20	2.85	2.60	2.77	----
October	3.61	3.21	3.63	3.43	3.22	3.10	2.85	2.62	2.76	----
November	3.35	3.19	3.63	3.45	3.46	3.07	2.83	2.53	2.71	----
December	3.36	3.22	3.93	3.35	3.53	3.01	2.83	2.51	2.67	----
Average	3.60	3.29	3.34	3.68	3.31	3.12	2.79	2.65	2.68	----

[1] From Jan. 1, 1919, through Oct. 14, 1925, yields are based on all outstanding partially tax-exempt Government bonds with 8 or more years to earliest call date; from July 17, 1928, yields are based on all outstanding partially tax-exempt Government bonds with 12 or more years to earliest call date; for the period from Oct. 15, 1925, through July 16, 1928, the yields of bonds with 8 or more years to earliest call date were identical with the yields of bonds with 12 or more years to earliest call date. During the period Jan. 1, 1919, through Oct. 14, 1925, these bonds included certain Liberty loan issues, whereas after Oct. 14, 1925, they included only Treasury bonds. For bonds selling above par and callable at par before maturity, the yields are those computed on the basis of redemption at first call date; while for bonds selling below par, yields to maturity are used. Monthly averages are averages of daily figures. Each daily figure is an unweighted average of the yields of the issues used based on the day's closing price, except that in some instances the mean of closing bid and asked prices was used. The table below shows the issues of Government bonds which were included in the above averages.

[2] Revised.

Issue	Date bond is first included in average	Date bond is first excluded from average	Amount issued
First Liberty loan converted 4¼% of 1932–47	Jan. 1, 1919	June 16, 1924	$555,212,300
Second Liberty loan converted 4¼% of 1927–42	do	Nov. 15, 1919	3,707,936,200
Third Liberty loan 4¼% of 1928	do	Sept. 15, 1920	4,175,650,050
Fourth Liberty loan 4¼% of 1933–38	do	Oct. 15, 1925	6,964,581,100
Treasury bonds:			
1947–52, 4¼%	Nov. 1, 1922	Oct. 15, 1935	763,962,300
1944–54, 4%	Dec. 15, 1924	Dec. 15, 1932	1,047,088,500
1946–56, 3¾%	Mar. 15, 1926	Mar. 15, 1934	494,898,100
1943–47, 3⅜%	July 12, 1927	June 15, 1931	494,854,750
1946–49, 3½%	June 15, 1931	June 15, 1934	821,406,000
1951–55, 3%	Sept. 15, 1931	----	800,424,000
1949–52, 3¼%	Dec. 15, 1934	Dec. 15, 1937	491,377,100
1955–60, 2⅞%	Mar. 15, 1935	----	2,611,156,200
1951–54, 2¾%	June 15, 1936	----	1,626,688,150
1956–59, 2¾%	Sept. 15, 1936	----	981,848,050
1949–53, 2½%	Dec. 15, 1936	Dec. 15, 1937	1,786,504,050
1958–63, 2¾%	June 15, 1938	----	918,780,600

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

CONDITION OF THE TREASURY EXCLUSIVE OF PUBLIC DEBT LIABILITIES

TABLE 46.—*Current assets and liabilities of the Treasury at the close of the fiscal years 1937 and 1938*

[On basis of daily Treasury statements (revised), see p. 351]

	1937	1938	Increase or decrease (—)
GOLD			
Assets: Gold	$12,318,271,164.59	$12,962,953,930.58	$644,682,765.99
Liabilities:			
Gold certificates	2,903,578,549.00	2,893,978,399.00	—9,600,150.00
Gold certificate fund—Board of Governors, Federal Reserve System	6,020,442,436.78	7,820,450,860.38	1,800,008,423.60
Redemption fund—Federal Reserve notes	10,470,461.75	9,387,519.82	—1,082,941.93
Gold reserve [1]	156,039,430.93	156,039,430.93	
Exchange stabilization fund	1,800,000,000.00	1,800,000,000.00	
Gold in General Fund	1,427,740,286.13	283,097,720.45	—1,144,642,565.68
Total	12,318,271,164.59	12,962,953,930.58	644,682,765.99
SILVER			
Assets:			
Silver bullion (monetary value)	835,195,892.46	1,037,163,305.33	201,967,412.87
Silver dollars	505,542,800.00	503,647,170.00	—1,895,630.00
Total	1,340,738,692.46	1,540,810,475.33	200,071,782.87
Liabilities:			
Silver certificates outstanding	1,305,300,608.00	1,508,081,375.00	202,780,767.00
Treasury notes of 1890 outstanding	1,172,022.00	1,169,422.00	—2,600.00
Silver in General Fund	34,266,062.46	31,559,678.33	—2,706,384.13
Total	1,340,738,692.46	1,540,810,475.33	200,071,782.87
GENERAL FUND			
Assets:			
In Treasury offices:			
Gold (as above)	1,427,740,286.13	283,097,720.45	—1,144,642,565.68
Silver at monetary value (as above)	34,266,062.46	31,559,678.33	—2,706,384.13
Subsidiary silver coin	5,096,406.45	8,721,844.50	3,625,438.05
Silver bullion at recoinage value	715,536.98	1,307,159.35	591,622.37
Silver bullion at cost value	374,112,693.87	479,600,698.61	105,488,004.74
Minor coin	3,743,144.60	4,757,653.99	1,014,509.39
United States notes	2,835,533.00	2,857,612.00	22,079.00
Federal Reserve notes	13,761,985.00	13,792,387.50	30,402.50
Federal Reserve bank notes	566,205.50	379,340.50	—186,865.00
National bank notes	467,016.50	1,353,334.00	886,317.50
Unclassified, collections, etc	1,988,051.22	1,818,145.20	—169,906.02
Subtotal	1,865,292,921.71	829,245,574.43	—1,036,047,347.28
In Federal Reserve banks:			
To credit of Treasurer of the United States	92,808,302.45	859,904,165.41	767,095,862.96
In transit	31,706,533.19	43,070,996.89	11,364,463.70
Subtotal	124,514,835.64	902,975,162.30	778,460,326.66
In special depositaries account of sales of Treasury bonds, notes, and certificates	649,459,773.26	610,527,176.95	—38,932,596.31
In general and limited depositary banks (except foreign):			
To credit of Treasurer of the United States	13,211,266.57	13,111,279.05	—99,987.52
To credit of other Government officers	32,180,153.52	31,070,869.17	—1,109,284.35
In transit	10,625,614.64	6,943,780.25	—3,681,834.39
Subtotal	56,017,034.73	51,125,928.47	—4,891,106.26

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 46.—*Current assets and liabilities of the Treasury at the close of the fiscal years 1937 and 1938*—Continued

	1937	1938	Increase or decrease (—)
GENERAL FUND—continued			
Assets—Continued.			
In treasury, Philippine Islands:			
To credit of Treasurer of the United States	$1,655,134.91	$1,675,370.26	$20,235.35
In transit	2,372.49	1,439.69	—932.80
Subtotal	1,657,507.40	1,676,809.95	19,302.55
In foreign depositaries:			
To credit of Treasurer of the United States	1,202,099.60	1,121,980.53	—80,119.07
To credit of other Government officers	1,934,532.71	2,053,659.42	119,126.71
In transit	153.56		—153.56
Subtotal	3,136,785.87	3,175,639.95	38,854.08
Total assets, General Fund	2,700,078,858.61	2,398,726,292.05	—301,352,566.56
Liabilities:			
Treasurer's checks outstanding	6,799,342.45	8,949,868.01	2,150,525.56
Deposits of Government officers:			
Post Office Department	6,729,885.93	8,485,961.88	1,756,075.95
Board of trustees, Postal Savings System	63,503,164.63	67,014,052.05	3,510,887.42
Postmasters, clerks of courts, disbursing officers, etc	76,453,440.36	114,731,807.93	38,278,367.57
Deposits for redemption of national bank notes (5 percent fund, lawful money)	408,460.09	335,031.62	—73,428.47
Uncollected items, exchanges, etc	2,838,998.22	2,584,356.51	—254,641.71
Total liabilities, General Fund	156,733,291.68	202,101,078.00	45,367,786.32
Balance in General Fund:			
Inactive gold	1,086,882,838.35	(2)	—1,086,882,838.35
Increment resulting from reduction in weight of gold dollar	140,968,159.87	141,903,609.77	935,449.90
Seigniorage (silver) [3]	355,687,781.26	446,038,793.66	90,351,012.40
Working balance	959,806,787.45	1,608,682,810.62	648,876,023.17
Subtotal	2,543,345,566.93	2,196,625,214.05	—346,720,352.88
Total General Fund liabilities and balance	2,700,078,858.61	2,398,726,292.05	—301,352,566.56

[1] Reserve against United States notes ($346,681,016 in 1937 and 1938) and Treasury notes of 1890 outstanding ($1,172,022 in 1937 and $1,169,422 in 1938). Treasury notes of 1890 are also secured by silver dollars in the Treasury.

[2] Inactive gold account discontinued Apr. 14, 1938.

[3] Seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated Aug. 9, 1934.

NOTE.—The amount to the credit of disbursing officers and certain agencies was $1,511,224,154.01 on June 30, 1937, and $1,898,339,567.08 on June 30, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 47.—*Balance in the General Fund of the Treasury at the end of each month, fiscal year 1938* [1]

[On basis of daily Treasury statements (unrevised), see p. 351]

End of month	Inactive gold	Balance of increment resulting from reduction in weight of gold dollar	Seigniorage [2]	Working balance	Total balance
1937					
June	$1,086,787,223	$140,965,031	$355,687,781	$970,033,862	$2,553,473,897
July	1,213,246,149	140,966,414	369,236,305	915,455,517	2,638,904,385
August	1,334,935,195	141,002,183	375,298,391	1,050,955,082	2,902,190,851
September	1,208,735,394	141,035,834	382,358,918	1,127,531,626	2,859,661,772
October	1,271,394,721	140,952,260	388,386,022	875,067,230	2,675,800,233
November	1,242,514,603	140,988,683	393,945,572	830,779,282	2,608,228,140
December	1,227,696,322	141,710,149	401,319,880	1,202,114,608	2,972,840,959
1938					
January	1,223,019,805	141,756,449	413,290,849	1,171,512,965	2,949,580,068
February	1,200,560,561	141,787,817	420,741,392	1,211,587,590	2,974,677,360
March	1,182,974,523	141,813,803	426,854,828	1,388,700,395	3,140,343,549
April	[3]	141,854,056	433,154,802	2,113,860,563	2,688,869,421
May		141,876,367	439,792,132	1,985,251,237	2,566,919,736
June		141,900,194	446,038,794	1,627,978,925	2,215,917,913

[1] For monthly balances back to October 1915, see annual reports for 1930, p. 598; 1934, p. 377; and corresponding tables in subsequent reports.

[2] Seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated Aug. 9, 1934.

[3] Inactive gold account discontinued Apr. 14, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 48.—*Securities owned by the United States Government, June 30, 1938* [1]

Foreign obligations:			
Funded indebtedness:			
Under the debt-funding agreements as authorized by acts of Congress and moratorium agreements as authorized by the act of Congress approved Dec. 23, 1931:			
		Principal amount held	
Belgium		$400,680,000.00	
Czechoslovakia [2]		91,879,671.03	
Estonia [3]		16,466,012.87	
Finland		8,195,841.19	
France		3,863,650,000.00	
Germany (Austrian indebtedness) [4]		25,980,480.66	
Great Britain		4,368,000,000.00	
Greece		31,516,000.00	
Hungary [3]		1,908,560.00	
Italy		2,004,900,000.00	
Latvia [3]		6,879,464.20	
Lithuania [3]		6,197,682.00	
Poland [3]		206,057,000.00	
Rumania [5]		63,860,560.43	
Yugoslavia		61,625,000.00	
			$11,157,796,272.38
Unfunded indebtedness:			
Represented by obligations received for (1) cash advances made under authority of acts of Congress approved Apr. 24, 1917, and Sept. 24, 1917, as amended; (2) surplus war supplies sold on credit by Secretary of War under authority of acts of Congress approved July 9, 1918, and June 5, 1920; (3) relief supplies sold on credit by American Relief Administration under authority of act of Congress approved Feb. 25, 1919; and (4) relief supplies sold on credit by United States Grain Corporation under authority of act of Congress approved Mar. 30, 1920:			
Armenia		11,959,917.49	
Nicaragua		(6)	
Russia		192,601,297.37	
			204,561,214.86
German bonds:			
For account of reimbursements of the costs of the United States Army of Occupation and the awards of the Mixed Claims Commission, under the funding agreement of June 23, 1930, as authorized by the act of Congress approved June 5, 1930 (bonds are in reichsmarks, which for the purpose of this statement are converted at 40.33 cents to the reichsmark):			
Army costs	RM997,500,000	402,291,750.00	
Mixed claims [7] RM2,040,000,000			
Private awards (estimated) 1,415,000,000			
Government awards (estimated)	625,000,000	252,062,500.00	
	1,622,500,000		654,354,250.00
Total foreign obligations			12,016,711,737.24
Capital stock of war emergency corporations: [8]			
Capital stock of the United States Housing Corporation, issued		70,000,000.00	
Less amount retired	$3,500,000.00		
Cash deposited in Treasury on account of repayments on capital stock	33,085,084.12	36,585,084.12	
			33,414,915.88
Capital stock of the United States Spruce Production Corporation			100,000.00
War Finance Corporation (in liquidation):			
Capital stock outstanding			1,000.00
Total			33,515,915.88
Capital stock, etc., of other governmental corporations and credit agencies: [9]			
Capital stock of the Panama Railroad Co.			7,000,000.00
Capital stock of the Inland Waterways Corporation (acquired pursuant to the act approved June 3, 1924, as amended by act of May 29, 1928)			12,000,000.00
Reconstruction Finance Corporation:			
Capital stock	$500,000,000.00		
Notes, series M	863,692,166.28		
		1,363,692,166.28	
Less:			
Funds expended for subscriptions to capital stock of other governmental corporations shown on this statement	56,000,000.00		
Funds disbursed to other governmental agencies for making loans shown in this statement	37,598,925.55	93,598,925.55	
			1,270,093,240.73

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 48.—*Securities owned by the United States Government, June 30, 1938* [1]—Continued

Capital stock, etc., of other governmental corporations and credit agencies.—Con.		
Capital stock of the RFC Mortgage Company acquired under the provisions of sec. 5c of the Reconstruction Finance Corporation Act, approved Jan. 22, 1932, as amended [10]		$25,000,000.00
Capital stock and paid-in surplus of the Federal National Mortgage Association purchased by the Reconstruction Finance Corporation [10]		11,000,000.00
Home Owners' Loan Corporation series I bonds, issued under provisions of sec. 4 (c) of the Home Owners' Loan Act of June 13, 1933, as amended		15,000,000.00
Capital stock of the Home Owners' Loan Corporation, Home Owners' Loan Act of 1933, approved June 13, 1933, as amended	200,000,000.00	
Less: Funds expended for subscriptions to capital stock of Federal Savings and Loan Insurance Corporation	100,000,000.00	
		100,000,000.00
Capital stock of the Federal Savings and Loan Insurance Corporation, National Housing Act, approved June 27, 1934 [11]		100,000,000.00
Capital stock of the regional agricultural credit corporations, Emergency Relief and Construction Act of 1932, approved July 21, 1932, as amended		5,000,000.00
Capital stock of Federal home loan banks, act of July 22, 1932, as amended		124,741,000.00
Capital stock of the U. S. Housing Authority issued under Public No. 412, dated Sept. 1, 1937		1,000,000.00
U. S. Housing Authority series A notes, issued under provisions of sec. 20 (d) of Public No. 412, dated Sept. 1, 1937		4,000,000.00
Capital stock of the Federal Farm Mortgage Corporation, Federal Farm Mortgage Corporation Act, approved Jan. 31, 1934, as amended		200,000,000.00
Capital stock of the Export-Import Bank of Washington, Executive order of Feb. 2, 1934, issued under authority of the National Industrial Recovery Act, approved June 16, 1933, as amended [12]		21,000,000.00
Capital stock of the Disaster Loan Corporation issued under authority of Public No. 5, dated Feb. 11, 1937		10,000,000.00
Capital stock of production credit corporations acquired under the provisions of sec. 4 of the Farm Credit Act of 1933, approved June 16, 1933, as amended		120,000,000.00
Capital stock of the Commodity Credit Corporation, Executive order of Oct. 16, 1933, issued under authority of the National Industrial Recovery Act approved June 16, 1933, as amended, and Public No. 489, dated Apr. 10, 1936		100,000,000.00
Capital stock of Electric Home and Farm Authority, Executive order dated Aug. 12, 1935, issued under authority of the National Industrial Recovery Act approved June 16, 1933, as amended		850,000.00
Capital stock of the Federal Deposit Insurance Corporation, Banking Act of 1933, approved June 16, 1933, as amended		150,000,000.00
Capital stock (preferred and full-paid income shares) of Federal savings and loan associations, Home Owners' Loan Act of 1933, approved June 13, 1933, as amended		47,802,700.00
Capital stock of the Tennessee Valley Associated Cooperatives, Inc		1,000.00
Capital stock of Federal Subsistence Homesteads Corporation, Executive order of July 21, 1933, issued under authority of the National Industrial Recovery Act approved June 16, 1933, as amended		10,000.00
Capital stock of Federal land banks, Federal Farm Loan Act approved July 17, 1916, as amended		124,801,520.00
Subscriptions to paid-in surplus of Federal land banks, Federal Farm Loan Act approved July 17, 1916, as amended		175,137,966.31
Capital stock of Federal intermediate credit banks acquired pursuant to the Federal Farm Loan Act approved July 17, 1916, as amended		70,000,000.00
Subscriptions to paid-in surplus of Federal intermediate credit banks, pursuant to the Federal Farm Loan Act, approved July 17, 1916, as amended		30,000,000.00
Capital stock of Central Bank for Cooperatives acquired under the provisions of sec. 33 of the Farm Credit Act of 1933, approved June 16, 1933, as amended		50,000,000.00
Capital stock of banks for cooperatives acquired under the provisions of sec. 40 of the Farm Credit Act of 1933, approved June 16, 1933, as amended		96,000,000.00
Total		2,870,437,427.04
Other obligations and securities:		
Obligations of carriers acquired pursuant to sec. 207 of the Transportation Act, approved Feb. 28, 1920, as amended		5,007,000.00
Obligations of carriers acquired pursuant to sec. 210 of the Transportation Act, approved Feb. 28, 1920, as amended		25,223,232.55
Obligations acquired by the Federal Emergency Administration of Public Works		36,311,879.85
Notes received by the Farm Credit Administration evidencing outstanding advances made from the revolving fund created by the Agricultural Marketing Act		94,825,898.95
Securities received from the Reconstruction Finance Corporation under provisions of Public No. 432, dated Feb. 24, 1938		2,774,400.00
Securities received by the Secretary of the Navy on account of sales of surplus property		4,707,805.83
Securities received by the United States Maritime Commission on account of sales of ships, etc		66,851,877.41
Obligations of farmers for seed, feed, and drought relief loans made in pursuance of various acts from 1921 to 1938		152,060,950.52
Obligations of farmers for crop production loans made in pursuance of sec. 2 of the act approved Jan. 22, 1932, as amended		32,470,932.82
Obligations of joint stock land banks in pursuance of sec. 30 (a) of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933, as amended		55,553.78
Securities received by the Farm Security Administration		169,372,670.78
Securities received by the Rural Electricification Administration [13]		50,169,344.17

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 48.—*Securities owned by the United States Government, June 30, 1938*[1]—Continued

Other obligations and securities—Continued.	
Securities received by the Puerto Rico Reconstruction Administration	$3,897,142.09
Securities received by the Secretary of Interior, loans to Indians	1,910,774.94
Total	645,639,463.69
Grand total	15,566,304,543.85

MEMORANDUM

Amount due the United States from the Central Branch Union Pacific Railroad on account of bonds issued (Pacific Railroad aid bonds, acts approved July 1, 1862, July 2, 1864, and May 7, 1878):	
Principal	$1,600,000.00
Interest	1,652,884.05
Total	3,252,884.05

[1] This statement is made on the basis of tbe face value of the securities therein described as received by the United States, with due allowance for repayments. To the extent that the securities are not held in the custody of the Treasury, the statement is made up from reports received from other Government departments and establishments.

[2] Indebtedness of Czechoslovakia has been funded under tbe agreement of Oct. 13, 1925, but the original obligations have not been exchanged for the new bonds of that Government.

[3] Differences between principal here stated and face amount of obligations provided for in funding agreements represent deferred payments for which, under the funding agreements, gold bonds of the respective debtor governments have been or will be delivered to the Treasury.

[4] Tbe German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

[5] Original amount ($66,560,560.43) included bonds aggregating $21,970,560.43 representing interest accruing and remaining unpaid during first 14 years, payment of which under the funding agreement is extended over the last 48 years.

[6] The United States holds obligations in the principal amount of $289,898.78, which, together with accrued interest thereon, are to be canceled pursuant to agreement of Apr. 14, 1938, between the United States and the Republic of Nicaragua, ratified by the United States Senate on June 13, 1938.

[7] Division of German bonds between private awards and Government awards is an estimate based upon best information available at this time. When Mixed Claims Commission has completed its duties, a more accurate division may be made. Awards generally bear interest at 5 percent per annum. Bonds do not bear interest, but the aggregate face amount thereof will be sufficient to cover payment of the principal and interest due on the total awards finally entered by the Mixed Claims Commission. Bonds for private awards are held in trust, the proceeds thereof when received at maturity to be distributed by the Treasury to the claimants. Bonds mature on Mar. 31 and Sept. 30 of each year in the principal amount of RM20,400,000 each. No payments are to be made on Government awards until all private awards are paid in full.

[8] Cash on deposit with the Treasurer of the United States to the credit of all war emergency corporations having such deposits amounted to $584,150.80.

[9] Cash on deposit with the Treasurer of the United States to the credit of corporations included in this group having such deposits amounted to $528,998,353.12.

[10] Reconstruction Finance Corporation funds.

[11] Home Owners' Loan Corporation funds made available for capital stock subscriptions.

[12] Reconstruction Finance Corporation funds amounting to $20,000,000, and appropriated funds amounting to $1,000,000, set aside for capital stock subscriptions.

[13] Includes Reconstruction Finance Corporation funds amounting to $37,598,925.55.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

ASSETS AND LIABILITIES OF GOVERNMENTAL CORPORATIONS AND AGENCIES

TABLE 49.—*Combined statement of assets and liabilities of governmental corporations and credit agencies of the United States, as of June 30, 1938*

[Compiled from latest reports received by the Treasury; in millions of dollars]

SUMMARY

	Assets [1]										Liabilities and reserves [1]			Excess of assets over liabilities [1]	Proprietary interest		Distribution of United States interests		
	Loans	Preferred capital stock, etc.	Cash [2]	Investments			Accounts and other receivables	Real estate and other business property	Other [3]	Total	Guaranteed by United States	Not guaranteed by United States	Total		Privately owned	Owned by United States	Capital stock	Surplus	Interagency interests
				United States securities	Securities guaranteed by United States	All other													
Financed wholly from Government funds: [4]																			
Reconstruction Finance Corporation	1,216	534	[5] 1	48	------	------	25	(6)	[5] 14	1,839	299	[5] 38	337	1,502	------	1,502	500	[5] 190	812
Commodity Credit Corporation	241	------	94	------	------	------	2	(6)	(6)	338	206	72	278	59	------	59	100	------	[7] *41*
Export-Import Bank	15	------	2	------	------	------	(6)	(6)	(6)	17	------	(6)	(6)	17	------	17	21	1	[7] *5*
Public Works Administration	29	------	------	------	------	------	------	------	22	52	------	------	------	52	------	52	[8] 52	------	------
United States Housing Authority	13	------	13	------	------	------	1	125	------	151	------	(6)	(6)	151	------	151	1	146	4
Federal Housing Administration	------	------	4	20	------	------	10	1	1	36	1	1	2	35	------	35	[8] 35	------	------
Regional agricultural credit corporations	15	------	6	------	------	------	1	------	(6)	22	------	4	4	18	------	18	5	13	------
Production credit corporations	------	------	(6)	5	14	102	1	------	------	122	------	(6)	(6)	121	------	121	120	1	------
Panama Railroad Company	------	------	17	------	------	1	(6)	29	(6)	46	------	1	1	45	------	45	7	39	(6) (7)
United States Maritime Commission	61	------	------	------	------	7	19	39	70	196	------	97	97	99	------	99	[8] 99	------	(6)
War emergency corporations and agencies [9]	5	(6)	1	(6)	------	(6)	2	(6)	(6)	8	------	------	------	8	------	8	[8] 38	[10] *31*	(6)
Other [11]	[12] 454	(6)	33	4	(6)	2	7	225	21	751	------	56	56	695	------	695	[8] 4,334	19	[7] *3,659*
Total	2,050	534	175	78	14	112	68	418	128	3,576	506	269	775	2,801	------	2,801	5,312	378	[7] *2,889*
Financed partly from Government funds and partly from private funds:																			
Federal land banks	2,018	------	29	59	------	1	154	6	147	2,413	------	1,890	1,890	523	184	339	125	[13] 180	35
Federal intermediate credit banks	223	------	11	63	9	------	3	------	(6)	309	------	222	222	87	------	87	70	45	[7] *28*
Federal Farm Mortgage Corporation	786	------	22	------	------	764	40	(6)	34	1,646	1,419	[5] 71	1,489	157	------	157	200	------	[7] *43*
Banks for cooperatives	81	------	9	63	24	12	1	(6)	(6)	191	------	3	3	188	4	184	146	10	28
Home loan banks	196	------	49	26	9	------	1	------	(6)	281	------	113	113	168	[14] 43	125	125	------	------

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Home Owners' Loan Corporation [15]	2,265	[16] 212	129	1	------	------	17	6	522	3,153	2,964	115	3,079	74	------	74	200	[10] *41*	[7] *85*
Federal Savings and Loan Insurance Corporation	------	------	(6)	10	103	------	1	------	(6)	114	------	1	1	113	------	113	100	13	------
Federal savings and loan associations	------	[17] 48	------	------	------	------	------	------	------	48	------	------	------	48	------	48	48	------	------
Federal Deposit Insurance Corporation	26	------	20	351	------	------	2	(6)	21	419	------	130	130	289	139	150	150	------	------
War Finance Corporation [18]	(6)	------	(6)	------	------	------	------	(6)	------	(6)	------	(6)	(6)	(6)	------	(6)	(6)	(6)	------
Total	5,595	260	269	573	144	777	219	12	725	8,574	4,383	2,544	6,927	1,647	370	1,277	1,163	207	[7] *93*
Grand total	7,645	793	444	651	158	889	287	430	853	12,150	4,889	2,814	7,703	4,447	370	4,078	6,475	585	[7] [19] *2,982*

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 49.—*Combined statement of assets and liabilities of governmental corporations and credit agencies of the United States, as of June 30, 1938*—Continued

DETAIL

[In millions of dollars]

	Financed wholly from Government funds [4]												
	Reconstruction Finance Corporation	Commodity Credit Corporation	Export-Import Bank	Public Works Administration	United States Housing Authority	Federal Housing Administration	Regional agricultural credit corporations	Production credit corporations	Panama Railroad Co.	United States Maritime Commission	War emergency corporations and agencies [9]	Other [11]	Total
ASSETS													
Loans:													
Banks	150												150
Railroads	441											30	471
Insurance companies	31												31
Credit unions	(6)												(6)
Building and loan associations	2												2
Mortgage loan companies	83												83
Agricultural credit corporations	(6)											(6)	1
Cooperative associations												17	17
States, Territories, etc	98			29								1	128
Joint stock land banks	5											(6)	5
Ship construction and reconditioning loans										61			61
Mortgage loans (not otherwise classified)					13							79	92
Crop, livestock, and commodity loans	1	241					15					84	341
Other loans	404		15								5	243	667
Total loans	1,216	241	15	29	13		15			61	5	[12] 454	2,050
Preferred capital stock, etc.:													
Banks and trust companies	534												534
Insurance companies	(6)												(6)
Other											(6)	(6)	(6)
Cash:													
With Treasurer, United States [3]	(6)	94	2		13	4	6	(6)			1	30	150
On hand and in banks	[5] 1	(6)	(6)				(6)	(6)	17		(6)	1	19
In transit			(6)									(6)	(6)
In trust funds								(6)				6	6
Investments:													
United States securities	48					20		5			(6)	4	78
Obligations guaranteed by United States:													
Federal Farm Mortgage Corporation								14					14
Federal Housing Administration												(6)	(6)
Federal land bank bonds								26					26

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Production credit associations—class A stock								76					76
Railroad bonds and securities									1		(6)		1
Ship sales notes										6			6
Other investments									(6)	1		2	3
Accounts and other receivables	2	(6)	(6)		(6)	10	(6)	(6)	(6)	19	1	6	40
Accrued interest receivable	23	2	(6)		(6)	(6)	1	1	(6)	(6)	(6)	(6)	28
Real estate and business property:													
Real estate and equipment	(6)	(6)	(6)		125	1			23	15	(6)	204	368
Vessels and rolling stock									4	23		16	42
Stores and supplies						(6)			2	1	(6)	5	7
Real estate and other property held for sale	14			22		1	(6)				(6)	5	42
Other assets	(5)(6)	(6)	(6)				(6)		(6)	70		16	86
Total assets other than interagency	1,839	338	17	52	151	36	22	122	46	196	8	751	3,576
Interagency assets:													
Due from governmental corporations or agencies	60	42	5						1	(6)		901	1,008
Capital stocks and paid-in surplus of governmental corporations	56											2,826	[19] 2,882
Other allocations												(6)	(6)
Total, all assets	1,954	380	22	52	151	36	22	122	47	196	8	4,478	7,467
LIABILITIES													
Bonds, notes, and debentures:													
Obligations guaranteed by United States [20]	299	206				1							506
Other		(6)				(6)						35	35
Accrued interest payable:													
Guaranteed by United States	(6)	(6)				(6)							(6)
Other		(6)										(6)	(6)
Other liabilities	(5) 20	(6)	(6)		(6)	1	(6)	(6)	1	69		13	105
Deferred income	18									1		1	20
Reserves:													
For uncollectible items							4			19		(6)	23
Other operating reserves		72					(6)	(6)		8		7	86
Total liabilities other than interagency	337	278	(6)		(6)	2	4	(6)	1	97		56	775
Interagency liabilities: Due to governmental corporations or agencies	928	1			4				(6)	(6)	(6)	68	1,002
Total, all liabilities	1,264	280	(6)		4	2	4	(6)	1	97	(6)	124	1,777
Capital and surplus:													
Capital stock	500	100	21	[8] 52	1	[8] 35	5	120	7	[8] 99	[8] 38	[8] 4,334	5,312
Paid-in surplus					146		15					12	174
Reserves from earned surplus:													
Reserve for dividends and contingencies	(6)		(6)				(6)				(6)	3	3
Earned surplus and undivided profits	[8] 190		1				[10] 3	1	39		[10] 31	4	201
Total liabilities, capital, and surplus	1,954	380	22	52	151	36	22	122	47	196	8	4,478	7,467

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 49.—*Combined statement of assets and liabilities of governmental corporations and credit agencies of the United States, as of June 30, 1938*—Continued

[In millions of dollars]

	Financed partly from Government funds and partly from private funds										
	Federal land banks	Federal intermediate credit banks	Federal Farm Mortgage Corporation	Banks for cooperatives	Home loan banks	Home Owners' Loan Corporation [15]	Federal Savings and Loan Insurance Corporation	Federal savings and loan associations	Federal Deposit Insurance Corporation	War Finance Corporation [18]	Total
ASSETS											
Loans:											
Banks									26	(6)	26
Insurance companies					(6)						(6)
Building and loan associations					196						196
Cooperative associations		(6)		81							81
Mortgage loans (not otherwise classified)	2,018		786			2,265					5,069
Crop, livestock, and commodity loans		223								(6)	223
Total loans	2,018	223	786	81	196	2,265			26	(6)	5,595
Preferred capital stock, etc.: Other						[16] 212		[17] 48			260
Cash:											
With Treasurer, United States [3]	10	2	21	6	29	22	(6)		20	(6)	110
On hand and in banks	18	8	(6)	3	21	(6)			(6)	(6)	50
In trust funds	1	1	(6)	(6)		107					109
Investments:											
United States securities	59	63		63	26	1	10		351		573
Obligations guaranteed by United States:											
Federal Farm Mortgage Corporation		9		24	1						34
Home Owners' Loan Corporation					7		103				109
Commodity Credit Corporation					1		(6)				1
Federal land bank bonds			761								761
Federal intermediate credit bank securities	1		3	12							16
Other investments	(6)										(6)
Accounts and other receivables	115	1	13	(6)	(6)	(6)	1		(6)		131
Accrued interest receivable	39	1	27	1	1	17	1		2		88
Real estate and business property:											
Real estate and equipment	6		(6)	(6)		6			(6)	(6)	12
Stores and supplies									(6)		(6)
Real estate and other property held for sale	140	(6)	34	(6)		516			1		692
Other assets	7	(6)	(6)	(6)	(6)	6	(6)		20		33
Total assets other than interagency	2,413	309	1,646	191	281	3,153	114	48	419	(6)	8,574
Interagency assets:											
Due from governmental corporations or agencies	[13] 13	28	44	(6)							85
Capital stocks and paid-in surplus of governmental corporations						100					[19] 100
Total, all assets	2,426	337	1,691	191	281	3,253	114	48	419	(6)	8,759

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

LIABILITIES											
Bonds, notes, and debentures:											
Obligations guaranteed by United States [20]	----	----	1,410	----	----	2,937	----	----	----	----	4,347
Other	1,776	218	----	----	77	1	----	----	----	(6)	2,071
Accrued interest payable:											
Guaranteed by United States	----	----	9	----	----	27	----	----	----	----	36
Other	19	1	----	----	(6)	----	----	----	----	(6)	21
Other liabilities	34	[5] 1	4	(6) (6)	36	4	(6)	----	1	----	80
Deferred income	(6)	1	1	(6)	(6)	7	1	----	----	----	10
Reserves:											
For uncollectible items	16	1	[5] 44	2	----	100	----	----	17	----	181
Other operating reserves	45	(6)	22	(6)	----	3	----	----	112	----	182
Total liabilities other than interagency	1,890	222	1,489	3	113	3,079	1	----	130	(6)	6,927
Interagency liabilities: Due to governmental corporations or agencies	48	(6)	1	28	----	15	----	----	----	----	92
Total, all liabilities	1,938	222	1,491	31	113	3,094	1	----	130	(6)	7,019
Capital and surplus:											
Capital stock	238	70	200	149	162	200	100	48	289	(6)	1,456
Paid-in surplus	[13] 180	30	----	----	----	----	----	----	----	----	210
Reserves from earned surplus:											
Reserve for dividends and contingencies	10	1	----	----	(6)	----	9	----	----	----	20
Legal reserves	46	----	----	----	3	----	2	----	----	(6)	51
Earned surplus and undivided profits	14	14	----	11	3	[10] 41	2	----	----	----	3
Total liabilities, capital, and surplus	2,426	337	1,691	191	281	3,253	114	48	419	(6)	8,759

[1] Exclusive of interagency assets and liabilities (except bond investments).
[2] Excludes unexpended balances of appropriated funds.
[3] Also includes real estate and other property held for sale.
[4] Subject to qualification as indicated under liabilities of Reconstruction Finance Corporation, Commodity Credit Corporation, and Federal Housing Administration.
[5] Adjusted for interagency items and items in transit.
[6] Less that $500,000.
[7] Excess interagency assets (deduct).
[8] Nonstock (or includes nonstock proprietary interests).
[9] Includes U. S. Housing Corporation; U. S. Railroad Administration; U. S. Spruce Production Corporation; and notes received on account of sales of surplus war supplies.
[10] Deficit (deduct).
[11] Includes Disaster Loan Corporation; Electric Home and Farm Authority; Farm Credit Administration (crop production and other loans); Farm Security Administration; Federal Prisons Industries, Inc.; Indian rehabilitation loans; Inland Waterways Corporation; Federal National Mortgage Association; Puerto Rico Reconstruction Administration; Rural Electrification Administration; The RFC Mortgage Co.; Tennessee Valley Associated Cooperatives, Inc.; Tennessee Valley Authority; loans to railroads, municipalities, etc.; and interagency interest held by the U. S. Treasury.
[12] Net after deducting estimated amount of uncollectible obligations held by the Farm Credit Administration.
[13] Includes $4,463,613 due to Federal land banks from the U. S. Treasury for subscriptions to paid-in surplus.
[14] Includes legal reserves and undivided profits totaling $6,469,125.
[15] Preliminary statement.
[16] Shares of State building and loan associations, $40,962,310; shares of Federal savings and loan associations, $170,764,300.
[17] Assets not classified. Includes only the amount of shares held by the U. S. Treasury.
[18] In liquidation.
[19] Represents capital stock, paid-in surplus, and other proprietary interagency interests which are not deducted from the capital stock and paid-in surplus of the corresponding organizations.
[20] Excludes obligations reacquired and held by the issuing organizations as Treasury bonds, etc.

NOTE.—Figures are rounded to nearest million and consequently may not add to totals. For complete figures see daily Treasury statement for July 30, 1938.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 50.—*Proprietary interest of the United States in governmental corporations and credit agencies, as of June 30, 1929 to 1938*

[In thousands of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Financed wholly from Government funds:										
Reconstruction Finance Corporation				779,989	1,498,140	2,452,000	2,034,891	1,804,076	1,490,798	1,501,788
Commodity Credit Corporation						206,000	153,495	243,923	122,737	59,256
Export-Import banks						14,000	13,843	18,163	17,540	16,715
Public Works Administration						145,423	312,254	152,077	145,534	51,597
Regional agricultural credit corporations					149,866	51,000	77,359	35,035	26,782	17,776
Production credit corporations						106,000	120,978	120,939	121,142	121,427
Panama Railroad Co	40,064	41,566	42,030	45,094	43,174	[1] 43,000	42,659	42,839	43,735	45,387
U. S. Shipping Board Merchant Fleet Corporation	209,804	207,682	216,745	233,018	224,103	142,940	181,962	151,227	[2]	
U. S. Maritime Commission									87,317	98,749
War emergency corporations and agencies:										
U. S. Housing Corporation	3,867	2,793	2,315	2,020	1,916	[1] 1,950	1,989	1,990	2,014	1,980
U. S. Spruce Production Corporation	1,853	1,116	1,114	1,058	1,067	[1] 1,000	986	1,088	787	743
U. S. Railroad Administration	1,761	1,299	1,244	1,157	1,257	[1] 1,200	1,132	1,106	531	118
Surplus war supplies	928	855	787	828	828	828	433	383		
Navy Department	5,723	5,574	5,030	4,938	4,924	4,910	5,086	5,026	4,785	4,708
Farm Loan Board—crop loans	6,762	159,796	391,860	627,669	[3]					
Farm Credit Administration					555,747	[1] 74,000	192,639	174,634	191,372	134,403
Inland Waterways Corporation	19,768	20,974	23,980	24,391	24,607	[1] 24,000	23,750	24,602	24,542	24,981
Railroad obligations	62,699	54,792	39,942	38,926	38,482	37,711	31,192	30,590	30,230	30,230
Tennessee Valley Authority						[1] 9,000	63,734	96,006	178,919	216,124
Electric Home and Farm Authority						[1] 1,000	872	839	865	902
Subsistence homesteads (Resettlement Administration)						[1] 3,000	24,324	79,875	127,669	[4]
Farm Security Administration										169,373
Federal Housing Administration							28,866	29,710	29,706	34,565
Tennessee Valley Associated Cooperatives, Inc							306	299	302	302
Federal Prison Industries, Inc							4,399	5,014	5,575	6,575
RFC Mortgage Corporation							2	18,055	48,125	39,836
Rural Electrification Administration								823	11,865	50,169
Puerto Rico Reconstruction Administration									3,701	3,897
Disaster Loan Corporation									3,828	5,879
United States Housing Authority										150,841
Secretary of the Interior Department, loans to Indians									534	1,911
Treasury Department, securities received from the Reconstruction Finance Corporation under act of February 24, 1938										2,774
Federal National Mortgage Association										7,651
Total	353,229	496,447	725,047	1,759,088	2,544,111	3,318,962	3,317,151	3,038,319	2,720,935	2,800,657

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Financed partly from Government funds and partly from private funds:										
Federal land banks	383	292	238	125,176	124,872	161,000	251,165	255,646	292,212	339,143
Federal intermediate credit banks	31,876	32,763	33,973	35,963	60,263	85,000	84,425	102,977	104,425	86,962
Federal Farm Mortgage Corporation						197,000	206,012	201,404	176,455	156,967
Banks for cooperatives						111,000	128,624	155,961	154,108	184,348
Home loan banks					43,204	81,000	81,646	99,542	120,514	124,741
Home Owners' Loan Corporation					998	144,000	69,709	[5] 65,976	68,260	74,089
Federal Savings and Loan Insurance Corporation							101,597	103,844	108,235	113,125
Federal savings and loan associations						1,000	32,464	[5] 49,223	48,184	47,803
Federal Deposit Insurance Corporation						150,000	150,000	150,000	150,000	150,000
War Finance Corporation	532	531	334	333	313	200	120	30	30	10
Total	32,791	33,586	34,545	161,472	229,650	930,200	1,105,762	1,184,603	1,222,423	1,277,188
Grand total	386,020	530,033	759,592	1,920,560	2,773,761	4,249,162	4,422,913	4,222,922	3,943,358	4,077,845

[1] Estimated.
[2] Transferred to the U. S. Maritime Commission.
[3] Transferred to the Farm Credit Administration.
[4] Transferred to Farm Security Administration.
[5] Revised.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

STOCK AND CIRCULATION OF MONEY IN THE UNITED STATES

TABLE 51.—*Stock of money, money in the Treasury, in the Federal Reserve banks, and in circulation June 30, 1913 to 1938* [1]

[000 omitted, except in per capita figures]

June 30—	Stock of money [2]	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other	Total	Held by Federal Reserve banks and agents	In circulation		
									Amount [3]	Per capita	
1913	$3,777,021	$1,834,112	$1,475,783	$150,000	----------	$208,329	$3,418,692	----------	$3,418,692	$35.12	97,337
1914	3,797,825	1,845,570	1,507,179	150,000	----------	188,391	3,459,434	----------	3,459,434	34.93	99,027
1915	4,050,783	1,967,665	1,619,429	152,977	----------	195,259	3,702,547	$382,965	3,319,582	32.96	100,725
1916	4,541,730	2,356,536	2,057,409	152,979	----------	146,147	4,242,603	593,345	3,649,258	35.63	102,431
1917	5,678,774	2,859,396	2,063,391	152,979	$526,295	116,731	4,882,769	816,365	4,066,404	39.05	104,145
1918	6,906,237	2,976,251	1,407,694	152,979	1,205,082	210,496	5,337,681	855,984	4,481,697	42.33	105,869
1919	7,688,413	2,907,812	906,673	152,979	1,416,086	432,074	5,687,275	810,636	4,876,638	45.95	106,136
1920	8,158,496	2,379,664	704,638	152,979	1,184,276	337,771	6,483,470	1,015,881	5,467,589	51.38	106,422
1921	8,174,528	2,921,089	919,643	152,979	1,537,857	310,610	6,173,082	1,262,089	4,910,992	45.29	108,445
1922	8,276,070	3,515,583	1,000,578	152,979	2,108,887	253,139	5,761,065	1,297,893	4,463,172	40.61	109,893
1923	8,702,788	3,821,846	1,150,168	152,979	2,285,170	233,529	6,031,111	1,207,836	4,823,275	43.18	111,693
1924	8,846,542	4,248,438	1,628,139	152,979	2,260,891	206,429	6,226,243	1,376,935	4,849,307	42.64	113,727
1925	8,299,382	4,176,381	2,059,799	153,621	1,752,744	210,217	6,182,799	1,367,591	4,815,208	41.73	115,378
1926	8,428,971	4,210,358	2,139,770	154,189	1,717,348	199,050	6,358,384	1,473,118	4,885,266	41.71	117,136
1927	8,667,282	4,159,056	2,096,205	155,421	1,712,003	195,427	6,604,431	1,753,110	4,851,321	40.90	118,628
1928	8,118,091	3,725,650	1,986,761	156,039	1,387,650	195,199	6,379,202	1,582,576	4,796,626	39.97	120,013
1929	8,538,796	3,789,886	1,854,373	156,039	1,562,426	217,049	6,603,283	1,856,986	4,746,297	39.08	121,455
1930	8,306,564	4,021,937	1,978,448	156,039	1,796,239	91,211	6,263,075	1,741,087	4,521,988	36.74	123,091
1931	9,079,624	4,227,735	2,196,103	156,039	1,776,690	98,902	7,047,992	2,226,059	4,821,933	38.85	124,113
1932	9,004,505	3,493,122	1,979,137	156,039	1,235,737	122,209	7,490,520	1,795,349	5,695,171	45.57	124,974
1933	10,078,417	3,797,692	1,711,721	156,039	1,771,486	158,446	7,992,446	2,271,682	5,720,764	45.49	125,770
1934	13,634,381	8,408,392	5,453,713	156,039	[4] 3,999,055	2,798,640	6,679,455	1,305,985	5,373,470	42.44	126,626
1935	15,113,035	9,997,362	7,131,431	156,039	[4] 5,532,590	2,709,891	6,714,514	1,147,422	5,567,093	43.66	127,521

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

1936	17,402,493	11,851,635	9,355,224	156,039	[4] 5,304,027	2,340,372	9,602,055	3,360,854	6,241,200	48.60	128,429
1937	19,376,690	13,685,480	10,240,964	156,039	[4] 6,030,913	3,288,477	9,901,261	3,454,205	6,447,056	49.88	129,257
1938	20,096,865	14,535,627	12,233,068	156,039	[4] 7,829,838	2,146,520	9,964,467	3,503,576	6,460,891	49.62	130,215

[1] The figures in this table differ from the monthly circulation statements for the following reasons: (*a*) Beginning June 30, 1922, the form of circulation statement was revised so as to include in the holdings of the Federal Reserve banks and agents, and hence in the stock of money, gold bullion, and foreign gold coin held by the Federal Reserve banks and agents, and to include in the holdings of the Federal Reserve banks and agents, and hence exclude from money in circulation, all forms of money held by the Federal Reserve banks and agents, whether as reserve against Federal Reserve notes or otherwise. For the sake of comparableness the figures in this table for earlier years have been revised to include these changes. For full explanation of this revision, see annual report for 1922, p. 433. (*b*) The form of the circulation statement was revised again beginning Dec. 31, 1927, so as to exclude earmarked gold coin from the stock of money, and hence from money in circulation; to include in the holdings of the Federal Reserve banks and agents, and hence in the stock of money, gold held abroad for the account of the Federal Reserve banks; and to include in all categories, minor coin (the bronze 1-cent piece and the nickel 5-cent piece). Beginning on Dec. 31, 1927, the circulation statement is dated for the end of the *month* instead of the beginning of the succeeding month, as was the practice theretofore, and figures on the revised daily Treasury statement basis for "money held in the Treasury" instead of the unrevised basis are used. For the sake of comparableness the figures in this table for earlier years have been revised to include these changes. For full explanation of this revision, see annual report for 1928, pp. 70–71, and for figures for years prior to 1913, pp. 550–551. Final revisions, minor in amount, are made in some figures of the June 30 circulation statements for use in these annual report tables.

[2] The composition of the stock of money is shown in table 52 on p. 540.

[3] The composition of the money in circulation is shown in table 53 on p. 541.

[4] Gold certificates not included in total money in the Treasury, since the gold held as security against them is included in the second column preceding.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 52.—*Stock of money, by kinds, at the end of each fiscal year from 1913 to 1938* [1]

[In thousands]

June 30—	Gold [2]	Silver bullion [3]	Standard silver dollars [3]	Subsidiary silver	Minor coin	United States notes [3]	Federal Reserve notes [3]	Federal Reserve bank notes [3]	National bank notes [3]	Total [4]	Percentage of gold to total money
1913	$1,870,762		$568,273	$175,196	$56,951	$346,681			$759,158	$3,777,021	49.53
1914	1,890,657		568,272	182,007	59,536	346,681			750,672	3,797,825	49.78
1915	1,985,539		568,272	185,430	61,327	346,681	$84,261		819,274	4,050,783	49.02
1916	2,444,636		568,271	188,890	63,909	346,681	176,168	$9,000	744,175	4,541,730	53.83
1917	3,220,242		568,270	198,275	69,688	346,681	547,408	12,790	715,420	5,678,774	56.71
1918	3,162,808		499,516	231,857	78,146	346,681	1,847,580	15,444	724,205	6,906,237	45.80
1919	3,113,306		308,146	242,870	82,909	346,681	2,687,557	187,667	719,277	7,688,413	40.49
1920	2,865,482		268,857	258,855	92,479	346,681	3,405,877	201,226	719,038	8,158,496	35.12
1921	3,274,730		288,788	271,314	98,522	346,681	3,000,430	150,772	743,290	8,174,528	40.06
1922	3,784,652		381,174	271,211	98,593	346,681	2,555,062	80,495	758,202	8,276,070	45.73
1923	4,049,554		491,887	269,186	99,056	346,681	2,676,902	22,083	747,440	8,702,788	46.53
1924	4,488,391		503,755	277,614	102,445	346,681	2,339,048	10,596	778,012	8,846,542	50.74
1925	4,360,382		522,061	283,472	104,004	346,681	1,942,240	7,176	733,366	8,299,382	52.54
1926	4,447,397		533,491	288,923	108,891	346,681	1,995,206	5,713	702,669	8,428,971	52.76
1927	4,587,298		537,944	295,590	113,295	346,681	2,077,473	4,854	704,146	8,667,282	52.93
1928	4,109,163		539,962	299,010	116,689	346,681	2,002,811	4,155	699,621	8,118,091	50.62
1929	4,324,351		539,961	304,187	120,640	346,681	2,194,970	3,711	704,294	8,538,796	50.64
1930	4,534,866		539,960	310,978	126,001	346,681	1,746,501	3,260	698,317	8,306,564	54.59
1931	4,955,921		539,958	308,619	126,887	346,681	2,101,578	2,974	697,004	9,079,624	54.58
1932	3,918,596		540,008	304,883	126,493	346,681	3,028,397	2,772	736,674	9,004,505	43.52
1933	4,317,554		540,007	298,634	126,746	346,681	3,336,866	141,326	970,601	10,078,417	42.84
1934	7,856,181	$1,560	540,007	295,892	127,711	346,681	3,350,988	160,666	954,695	13,634,381	57.62
1935	9,115,643	313,309	545,642	312,416	133,040	346,681	3,492,854	84,354	769,096	15,113,035	60.32
1936	10,608,417	708,211	547,080	331,716	139,057	346,681	4,296,310	53,300	371,722	17,402,493	60.96
1937	12,318,271	835,196	547,080	358,899	150,954	346,681	4,508,973	38,472	272,164	19,376,690	63.57
1938	12,962,954	1,037,163	547,079	373,461	157,183	346,681	4,420,815	30,840	220,688	20,096,865	64.50

[1] See note 1, p. 539. For figures for years prior to 1913, see annual report for 1928, pp. 552–553.

[2] A part of the gold and silver included in the stock of money is held as a reserve against other kinds of money, as follows: (1) As a reserve for United States notes and Treasury notes of 1890—gold bullion varying in amount from $150,000,000 to $156,039,431 during the years included in the table; (2) as security for Treasury notes of 1890—an equal dollar amount in standard silver dollars (these notes are being canceled and retired on receipt); (3) as security for outstanding silver certificates—silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates; and (4) as security for gold certificates—gold bullion of a value at the legal standard equal to the face amount of such gold certificates. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold certificates or of gold certificates and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or, until June 30, 1939, of direct obligations of the United States if so authorized by a majority vote of the Board of Governors of the Federal Reserve System. Federal Reserve banks must maintain a reserve in gold certificates of at least 40 percent, including the redemption fund which must be deposited with the Treasurer of the United States, against Federal Reserve notes in actual circulation. "Gold certificates" as herein used includes credits with the Treasurer of the United States payable in gold certificates. Federal Reserve bank notes and national bank notes are in process of retirement.

[3] The totals involve a duplication to the extent that United States notes, Federal Reserve notes, Federal Reserve bank notes, and national bank notes, all included in full, are in part secured by gold, also included in full. Gold certificates, silver certificates, and Treasury notes of 1890 have been excluded, however, since they are complete duplications of the equal amounts of gold or silver held as security therefor and included in the totals.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

104825—39——36

TABLE 53.—*Money in circulation, by kinds, at the end of each fiscal year from 1913 to 1938* [1]

[In thousands]

June 30—	Gold coin	Gold certificates [2]	Standard silver dollars	Silver certificates [2]	Treasury notes of 1890 [2]	Subsidiary silver	Minor coin	United States notes [2]	Federal Reserve notes [2]	Federal Reserve bank notes [2]	National bank notes [2]	Total
1913	$608,401	$1,003,998	$72,127	$469,129	$2,657	$154,458	$54,954	$337,215	----------	----------	$715,754	$3,418,692
1914	611,545	1,026,149	70,300	478,602	2,428	159,966	57,419	337,846	----------	----------	715,180	3,459,434
1915	587,537	821,869	64,499	463,147	2,245	159,043	58,516	309,796	$70,810	----------	782,120	3,319,582
1916	624,939	1,050,266	66,234	476,279	2,098	171,178	62,998	328,227	149,152	$1,683	716,204	3,649,258
1917	666,545	1,082,926	71,754	468,365	1,970	193,745	68,411	311,595	506,756	3,702	690,635	4,066,404
1918	537,230	511,190	77,201	370,349	1,851	216,492	74,958	291,859	1,698,190	10,970	691,407	4,481,697
1919	474,875	327,552	79,041	163,445	1,745	229,316	81,780	274,119	2,450,278	155,014	639,472	4,876,638
1920	474,822	259,007	76,749	97,606	1,656	248,863	90,958	278,144	3,064,742	185,431	689,608	5,467,589
1921	447,272	200,582	65,883	158,843	1,576	235,295	91,409	259,170	2,599,598	129,942	721,421	4,910,992
1922	415,937	173,342	57,973	265,335	1,510	229,310	89,157	292,343	2,138,715	71,868	727,681	4,463,172
1923	404,181	386,456	57,262	364,258	1,460	247,307	93,897	302,749	2,234,660	19,969	711,076	4,823,275
1924	393,330	801,381	54,015	364,414	1,423	252,995	96,952	297,790	1,843,106	10,066	733,835	4,849,307
1925	402,297	1,004,823	54,289	382,780	1,387	262,009	100,307	282,578	1,636,108	6,921	681,709	4,815,208
1926	391,703	1,057,371	51,577	377,741	1,356	270,072	104,194	294,916	1,679,467	5,453	651,477	4,885,266
1927	384,957	1,007,075	48,717	375,798	1,327	275,605	108,132	292,205	1,702,843	4,606	650,057	4,851,321
1928	377,028	1,019,149	46,222	384,577	1,304	278,175	111,061	298,438	1,626,433	4,029	650,212	4,796,626
1929	368,488	934,994	43,684	387,073	1,283	284,226	115,210	262,188	1,692,721	3,616	652,812	4,746,297
1930	357,236	994,841	38,629	386,915	1,260	281,231	117,436	288,389	1,402,066	3,206	650,779	4,521,988
1931	363,020	996,510	34,326	377,149	1,240	273,147	117,393	299,427	1,708,429	2,929	648,363	4,821,933
1932	452,763	715,683	30,115	352,605	1,222	256,220	113,619	289,076	2,780,229	2,746	700,894	5,695,171
1933	320,939	265,487	27,995	360,699	1,186	256,865	112,532	268,809	3,060,793	125,845	919,614	5,720,764
1934	(3)	149,740	30,013	401,456	1,189	280,400	119,142	279,608	3,068,404	141,645	901,872	5,373,470
1935	(3)	117,167	32,308	701,474	1,182	295,773	125,125	285,417	3,222,913	81,470	704,263	5,567,093
1936	(3)	100,771	35,029	954,592	1,177	316,476	134,691	278,190	4,002,216	51,954	366,105	6,241,200
1937	(3)	88,116	38,046	1,078,071	1,172	340,827	144,107	281,459	4,168,780	37,616	268,862	6,447,056
1938	(3)	78,500	39,446	1,230,156	1,169	341,942	145,625	262,155	4,114,338	30,118	217,441	6,460,891

[1] See note 1, p. 539. For figures for years prior to 1913, see annual report for 1928, pp. 554–555.

[2] For description of security held for redemption, see note 2, p. 540.

[3] Under the order of the Secretary of the Treasury of Dec. 28, 1933, as amended and supplemented on Jan. 11 and 15, 1934, all gold coin domestically owned (with minor exceptions) was required to be delivered for the account of the Treasurer of the United States, and under the Gold Reserve Act of 1934 (Jan. 30) withdrawn from circulation and formed into bars. Gold coin ($287,000,000) shown on Treasury records as being then outstanding was dropped from the monthly circulation statement as of Jan. 31, 1934.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 54.—*Stock of money, money in the Treasury, in the Federal Reserve banks, and in circulation, by kinds, June 30, 1938*

Kind of money	Stock of money	Money held in the Treasury					Money outside of the Treasury				Population of Continental United States (estimated)
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents [1]	In circulation [2]		
									Amount	Per capita	
Gold	[5] $12,962,953,931	$12,962,953,931	$10,723,816,779	$156,039,431		[4] $2,083,097,721					
Gold certificates	[3] (10,723,816,779)	[5] (7,829,838,380)			[5 6] ($7,829,838,380)		$2,893,978,399	$2,815,478,500	$78,499,899	$0.60	
Standard silver dollars	547,079,218	503,647,170	472,087,492			31,559,678	43,432,048	3,985,979	39,446,069	.30	
Silver bullion	1,037,163,305	1,037,163,305	1,037,163,305								
Silver certificates	[5] (1,508,081,375)						1,508,081,375	277,925,144	1,230,156,231	9.46	
Treasury notes of 1890	[5] (1,169,422)						1,169,422		1,169,422	.01	
Subsidiary silver	373,461,485	8,721,845				8,721,845	364,739,640	22,797,778	341,941,862	2.63	
Minor coin	157,183,351	4,757,654				4,757,654	152,425,697	6,800,426	145,625,271	1.12	
United States notes	346,681,016	2,857,612				2,857,612	343,823,404	81,668,418	262,154,986	2.02	
Federal Reserve notes	4,420,815,000	13,792,387				13,792,387	4,407,022,613	292,684,155	4,114,338,458	31.63	
Federal Reserve bank notes	30,839,531	379,340				379,340	30,460,191	342,050	30,118,141	.23	
National bank notes	220,687,930	1,353,334				1,353,334	219,334,596	1,893,620	217,440,976	1.67	
Total, June 30, 1938	20,096,864,767	14,535,626,578	12,233,067,576	156,039,431	[5] (7,829,838,380)	[7] 2,146,519,571	[8] 9,964,467,385	3,503,576,070	6,460,891,315	49.62	130,215,000
Comparative totals:											
May 31, 1938	20,048,476,899	14,475,768,809	12,212,761,237	156,039,431	7,832,381,680	2,106,968,141	9,953,087,647	3,485,859,756	6,467,227,891	49.69	130,149,000
June 30, 1937	19,376,690,005	13,685,480,147	10,240,964,078	156,039,431	6,030,912,899	3,288,476,638	9,901,261,037	3,454,204,590	6,447,056,447	49.88	129,257,000
October 31, 1920	8,479,620,824	2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.21	107,096,005
March 31, 1917	5,396,596,677	2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.23	103,716,000
June 30, 1914	3,797,825,099	1,845,569,804	1,507,178,879	150,000,000		188,390,925	3,459,434,174		3,459,434,174	34.93	99,027,000
January 1, 1879	1,007,084,483	212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.92	48,231,000

[1] Includes money held by the Cuban agency of the Federal Reserve Bank of Atlanta.
[2] The money in circulation includes any paper currency held outside the continental limits of the United States.
[3] Does not include gold other than that held by the Treasury.
[4] Includes $1,800,000,000 exchange stabilization fund.
[5] These amounts are not included in the total, since the gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.
[6] This total includes credits with the Treasurer of the United States, payable in gold certificates in (1) the gold certificate fund, Board of Governors, Federal Reserve System, in the amount of $7,820,450,860, and (2) the redemption fund for Federal Reserve notes in the amount of $9,387,520.
[7] Includes $59,300,000 lawful money deposited as a reserve for postal savings deposits.
[8] The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in the Treasury to arrive at the total amount of money in the United States.

NOTE.—For description of security held, see note 2, p. 540.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TAX-EXEMPT SECURITIES

TABLE 55.—*Estimated amount of securities outstanding, interest on which is wholly or partially exempt from the Federal income tax, June 30, 1938* [1]

[In millions of dollars]

	Total [2]	Wholly exempt	Partially exempt
A. U. S. Government, Federal agencies and instrumentalities:			
1. Interest-bearing securities outstanding:			
(a) U. S. Government	36,579	13,492	23,087
(b) Federal agencies and instrumentalities	7,989	2,151	5,838
Total	44,568	15,643	28,925
2. Interest-bearing securities held by:			
(a) U. S. Government, Federal trust funds and agencies	6,465	3,621	2,844
(b) Federal Reserve banks	2,564	1,820	744
(c) State and local sinking funds	59		59
(d) State and local trust and investment funds	[3] 210		[3] 210
Total	9,298	5,441	3,857
3. Net outstanding interest-bearing securities	35,270	10,202	25,068
B. State and local governments:			
1. Interest-bearing securities outstanding	19,170	19,170	
2. Interest-bearing securities held by:			
(a) U. S. Government, Federal trust funds and agencies	538	538	
(b) State and local sinking funds	1,501	1,501	
(c) State and local trust and investment funds	[3] 2,393	[3] 2,393	
Total	4,432	4,432	
3. Net outstanding interest-bearing securities	14,738	14,738	
C. Territories and insular possessions:			
1. Interest-bearing securities outstanding	146	146	
2. Interest-bearing securities held by:			
(a) Territorial and insular sinking funds	23	23	
3. Net outstanding interest-bearing securities	123	123	
D. Recapitulation:			
1. Interest-bearing securities outstanding	63,884	34,959	28,925
2. Interest-bearing securities held by:			
(a) U. S. Government, Federal trust funds and agencies	7,003	4,159	2,844
(b) Federal Reserve banks	2,564	1,820	744
(c) State and local sinking funds	1,560	1,501	59
(d) State and local trust and investment funds	[3] 2,603	[3] 2,393	[3] 210
(e) Territorial and insular sinking funds	23	23	
Total	13,753	9,896	3,857
3. Net outstanding interest-bearing securities	50,131	25,063	25,068

[1] "Total outstanding issues" of tax-exempt securities of the several borrowers differs from the gross indebtedness of these borrowers in that it excludes noninterest-bearing and taxable interest-bearing debt. "Net outstanding issues" differs from net indebtedness in that it excludes from "total outstanding issues" tax-exempt securities held by governments, governmental agencies, Federal Reserve banks, and public sinking, trust and investment funds, while net debt excludes from gross debt the total volume of sinking fund assets, regardless of their character, but ignores all other public assets.

Tax-exempt securities are segregated into 2 categories, those partially exempt and those wholly exempt. The former are exempt from the normal rates and the latter from both the normal and the surtax rates of the Federal income tax. United States savings bonds and Treasury bonds are here classified as partially tax-exempt securities. However, it is to be noted that by statutory provision, interest derived from the first $5,000 of principal amount of these securities owned by any single holder is exempt from the surtax as well as the normal tax.

The estimate of the volume of tax-exempt securities outstanding on June 30, 1938, is based in part on a questionnaire survey of State, local, territorial, and insular debt and specified funds, conducted by the Treasury Department in cooperation with the Department of the Interior Division of Territories and Island Possessions, and the War Department Bureau of Insular Affairs, and in part on the record of new security issues published by the *Commercial and Financial Chronicle*.

The estimate of the volume of tax-exempt securities outstanding in earlier years, shown in table 56, was based on a questionnaire survey conducted by the Treasury Department and upon the Bureau of the Census decennial *Financial Statistics of State and Local Governments* and annual *Financial Statistics of States* and *Financial Statistics of Cities*, as well as the statistics of new security issues and security retirements published in the *Bond Buyer* and the *State and Municipal Compendium* of the *Commercial and Financial Chronicle*.

[2] Excludes such tax-exempt securities as may be held by the stabilization fund.

[3] In the absence of Nation-wide trust and investment fund data for 1938, it was assumed that the tax-exempt security holdings of these funds increased 5 percent during the last fiscal year. This assumption was based on pre-1937 trends for States and cities and on available fragmentary data for 1938

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 56.—*Estimated amount of securities outstanding, interest on which is wholly or partially exempt from the Federal income tax, June 30, 1913 to 1938, by types of borrowers* [1]

[In millions of dollars]

A. TOTAL OUTSTANDING ISSUES

June 30—	Grand total			U. S. Government [2]			Federal Farm Loan System			Federal Home Loan System [5] (partially exempt)	Reconstruction Finance Corporation (partially exempt)	Commodity Credit Corporation (partially exempt)	Federal National Mortgage Association (partially exempt)	Territories and insular possessions (wholly exempt)	States, counties, cities, etc. (wholly exempt)
	Wholly and partially exempt	Wholly exempt	Partially exempt	Total	Wholly exempt	Partially exempt	Total	Wholly exempt [3]	Partially exempt [4]						
1913	5,531	5,531		966	966									37	4,528
1914	5,954	5,954		968	968									37	4,949
1915	6,427	6,427		970	970									40	5,417
1916	6,887	6,887		972	972									40	5,875
1917	9,049	9,049		2,713	2,713									46	6,290
1918	18,786	9,187	9,599	11,986	2,387	9,599	111	111						46	6,643
1919	32,597	10,159	22,439	25,234	2,796	22,439	274	274						47	7,042
1920	32,257	11,308	20,949	24,061	3,112	20,949	401	401						49	7,746
1921	32,724	11,922	20,803	23,737	2,935	20,803	450	450						61	8,476
1922	33,411	12,994	20,417	22,711	2,294	20,417	730	730						77	9,893
1923	33,788	14,074	19,714	22,008	2,294	19,714	1,062	1,062						120	10,598
1924	33,978	15,290	18,688	20,982	2,294	18,688	1,231	1,231						132	11,633
1925	34,681	16,645	18,036	20,211	2,175	18,036	1,506	1,506						134	12,830
1926	34,856	17,636	17,220	19,384	2,164	17,220	1,659	1,659						149	13,664
1927	34,933	18,846	16,087	18,251	2,164	16,087	1,789	1,789						158	14,735
1928	35,044	19,892	15,152	17,318	2,166	15,152	1,866	1,866						161	15,699
1929	35,428	20,957	14,471	16,639	2,168	14,471	1,867	1,867						162	16,760
1930	35,943	23,785	12,158	15,922	3,764	12,158	1,871	1,871						165	17,985
1931	37,626	25,750	11,876	16,519	4,643	11,876	1,885	1,885						162	19,060
1932	40,782	28,316	12,466	19,162	7,046	12,116	1,780	1,780			350			160	19,330
1933	45,109	31,499	13,610	22,158	10,133	12,025	1,694	1,694			1,585			155	19,517
1934	52,188	33,354	18,834	26,480	12,194	14,286	2,499	2,187	312	746	3,490			150	18,823
1935	56,939	35,080	21,859	27,646	13,565	14,081	3,625	2,399	1,226	2,647	3,905			144	18,972
1936	63,179	36,947	26,232	32,756	15,272	17,484	3,740	2,318	1,422	3,044	4,282			145	19,212
1937	65,648	36,591	29,057	35,803	15,065	20,738	3,650	2,228	1,422	3,037	3,860			146	19,152
1938	63,884	34,959	28,925	36,579	13,492	23,087	3,561	2,151	1,410	3,029	1,163	206	30	146	19,170

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

B. HELD BY UNITED STATES GOVERNMENT, FEDERAL TRUST FUNDS AND AGENCIES[1]

June 30—	Grand total			U. S. Government			Federal Farm Loan System			Federal Home Loan System (partially exempt)	Reconstruction Finance Corporation (partially exempt)	Commodity Credit Corporation (partially exempt)	States, counties, cities, etc. (wholly exempt)
	Wholly and partially exempt	Wholly exempt	Partially exempt	Total	Wholly exempt	Partially exempt	Total	Wholly exempt	Partially exempt				
1913													
1914	1	1		1	1								
1915	1	1		1	1								
1916	2	2		2	2								
1917	2	2		2	2								
1918	110	61	49	53	4	49	57	57					
1919	286	142	144	149	5	144	137	137					
1920	373	173	200	207	7	200	166	166					
1921	532	191	341	349	8	341	183	183					
1922	561	147	414	422	8	414	139	139					
1933	514	111	403	412	9	403	102	102					
1924	489	113	376	386	10	376	103	103					
1925	638	132	506	516	10	506	122	122					
1926	757	141	616	626	10	616	131	131					
1927	832	114	718	728	10	718	104	104					
1928	925	115	810	821	11	810	104	104					
1929	989	116	873	884	11	873	105	105					
1930	1,079	331	748	972	224	748	106	106					1
1931	542	366	176	435	259	176	106	106					1
1932	1,027	386	641	570	279	291	106	106			350		1
1933	2,368	531	1,837	651	399	252	106	106			1,585		26
1934	5,115	1,051	4,064	1,254	581	673	444	317	127	9	3,255		153
1935	6,884	2,046	4,838	1,586	772	814	1,126	928	198	171	3,655		346
1936	7,632	2,093	5,539	1,876	752	1,124	1,116	919	197	188	4,030		422
1937	8,543	3,034	5,509	3,180	1,671	1,509	1,013	835	178	217	3,605		528
1938	7,003	4,159	2,844	4,406	2,774	1,632	990	847	143	204	864	1	538

[1] See footnote 1 on p. 543.
[2] On basis of daily Treasury statements (revised), see p. 351.
[3] Includes Federal land bank bonds (both those issued by the individual banks and the consolidated series), Federal intermediate credit bank debentures, and joint stock land bank bonds. Does not include stocks.
[4] Federal Farm Mortgage Corporation bonds.
[5] Includes Home Owners' Loan Corporation bonds and home loan bank debentures.
[6] Excludes stabilization fund and Federal Reserve banks.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 56.—*Estimated amount of securities outstanding, interest on which is wholly or partially exempt from the Federal income tax, June 30, 1913 to 1938, by types of borrowers* [1]—Continued

[In millions of dollars]

C. HELD BY FEDERAL RESERVE BANKS

June 30—	U. S. Government			June 30—	U. S. Government			June 30—	U. S. Government		
	Total	Wholly exempt	Partially exempt		Total	Wholly exempt	Partially exempt		Total	Wholly exempt	Partially exempt
1913				1922	555	17	538	1931	668	451	217
1914				1923	102	12	90	1932	1,784	1,422	362
1915	8	8		1924	431	6	425	1933	1,998	1,582	416
1916	57	57		1925	353	3	350	1934	2,432	1,990	442
1917	66	66		1926	385	3	382	1935	2,433	2,143	290
1918	255	58	197	1927	370	3	367	1936	2,430	2,115	315
1919	292	25	267	1928	235	3	232	1937	2,526	1,794	732
1920	341	25	316	1929	216	3	213	1938	2,564	1,820	744
1921	259	22	237	1930	591	301	290				

D. HELD IN SINKING FUNDS AND TRUST AND INVESTMENT FUNDS OF STATES, LOCALITIES, TERRITORIES, AND INSULAR POSSESSIONS

(A) HELD IN SINKING FUNDS

June 30—	Total	U. S. Government (partially exempt)	States, counties, cities, etc. (wholly exempt)	Territories and insular possessions (wholly exempt)	June 30—	Total	U. S. Government (partially exempt)	States, counties, cities, etc. (wholly exempt)	Territories and insular possessions (wholly exempt)	June 30—	Total	U. S. Government (partially exempt)	States, counties, cities, etc. (wholly exempt)	Territories and insular possessions (wholly exempt)
1913	621		620	1	1922	1,329		1,328	1	1931	2,155		2,141	14
1914	670		669	1	1923	1,508		1,506	2	1932	1,472	50	1,399	23
1915	736		735	1	1924	1,634		1,627	7	1933	1,492	51	1,417	24
1916	794		793	1	1925	1,762		1,753	9	1934	1,513	52	1,436	25
1917	861		860	1	1926	1,904		1,889	15	1935	1,534	54	1,454	26
1918	950		949	1	1927	2,037		2,020	17	1936	1,554	55	1,473	26
1919	1,053		1,052	1	1928	2,151		2,139	12	1937	1,578	61	1,491	26
1920	1,081		1,080	1	1929	2,296		2,281	15	1938	1,583	59	1,501	23
1921	1,094		1,090	4	1930	2,431		2,418	13					

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

(B) HELD IN TRUST AND INVESTMENT FUNDS

1937	[7] 2,479	200	2,279		1938 [8]	2,603	210	2,393						

E. NET OUTSTANDING ISSUES [9]

June 30—	Grand total			U. S. Government			Federal Farm Loan System			Federal Home Loan System (partially exempt)	Reconstruction Finance Corporation (partially exempt)	Commodity Credit Corporation (partially exempt)	Federal National Mortgage Association (partially exempt)	Territories and insular possessions (wholly exempt)	States, counties, cities, etc. (wholly exempt)
	Wholly and partially exempt	Wholly exempt	Partially exempt	Total	Wholly exempt	Partially exempt	Total	Wholly exempt	Partially exempt						
1913	4,910	4,910		966	966									36	3,908
1914	5,283	5,283		967	967									36	4,280
1915	5,682	5,682		961	961									39	4,682
1916	6,034	6,034		913	913									39	5,082
1917	8,120	8,120		2,645	2,645									45	5,430
1918	17,471	8,118	9,353	11,678	2,325	9,353	54	54						45	5,694
1919	30,967	8,939	22,028	24,794	2,766	22,028	137	137						46	5,990
1920	30,462	10,029	20,433	23,513	3,080	20,433	235	235						48	6,666
1921	30,840	10,615	20,225	23,130	2,905	20,225	267	267						57	7,386
1922	30,966	11,501	19,465	21,734	2,269	19,465	591	591						76	8,565
1923	31,664	12,443	19,221	21,494	2,273	19,221	960	960						118	9,092
1924	31,424	13,537	17,887	20,165	2,278	17,887	1,128	1,128						125	10,006
1925	31,928	14,748	17,180	19,342	2,162	17,180	1,384	1,384						125	11,077
1926	31,810	15,588	16,222	18,373	2,151	16,222	1,528	1,528						134	11,775
1927	31,694	16,692	15,002	17,153	2,151	15,002	1,685	1,685						141	12,715
1928	31,733	17,623	14,110	16,262	2,152	14,110	1,762	1,762						149	13,560
1929	31,927	18,542	13,385	15,539	2,154	13,385	1,762	1,762						147	14,479
1930	31,842	20,722	11,120	14,359	3,239	11,120	1,765	1,765						152	15,566
1931	34,261	22,778	11,483	15,416	3,933	11,483	1,779	1,779						148	16,918
1932	36,499	25,086	11,413	16,758	5,345	11,413	1,674	1,674						137	17,930
1933	39,251	27,945	11,306	19,458	8,152	11,306	1,588	1,588						131	18,074
1934	43,128	28,852	14,276	22,742	9,623	13,119	2,055	1,870	185	737	235			125	17,234
1935	46,088	29,411	16,677	23,573	10,650	12,923	2,499	1,471	1,028	2,476	250			118	17,172
1936	51,563	31,240	20,323	28,395	12,405	15,990	2,624	1,399	1,225	2,856	252			119	17,317
1937 [10]	50,522	27,967	22,555	29,836	11,600	18,236	2,637	1,393	1,244	2,820	255			120	14,854
1938 [10]	50,131	25,063	25,068	29,340	8,898	20,442	2,571	1,304	1,267	2,825	299	205	30	123	14,738

[1] See footnote 1 on p. 543.
[7] Data for earlier years not available.
[8] See footnote 3 on p. 543.
[9] Total outstanding issues less those held by U. S. Government, Federal trust funds and agencies, Federal Reserve banks, and in sinking funds of States, localities, territories, and insular possessions. See also footnote 1 on p. 543.
[10] After deduction of tax-exempt securities held in State and local trust and investment funds; data for earlier years not available.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 57.—*Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15, 1938*

	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness			
			Indebtedness		Payments on account		Indebtedness		Payments on account [1]	
			Principal (net)	Accrued interest	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
Armenia	$23,205,108.24						$11,959,917.49	$11,245,190.75		
Belgium	444,835,943.91	$52,191,273.24	$400,680,000.00	$44,155,943.91	$17,100,000.00	$14,490,000.00			$2,057,630.37	$18,543,642.87
Cuba		12,286,751.58							10,000,000.00	2,286,751.58
Czechoslovakia	[2] 165,696,936.80	20,134,092.26	165,241,108.90	455,827.90	19,829,914.17					304,178.09
Estonia	[3] 20,443,880.32	1,248,432.07	16,466,012.87	3,977,867.45		1,246,990.19				1,441.88
Finland	8,335,440.92	5,262,970.27	8,195,841.19	139,599.73	804,158.81	4,149,496.19				309,315.27
France	4,141,020,821.51	486,075,891.00	3,863,650,000.00	277,370,821.51	161,350,000.00	38,650,000.00			64,689,588.18	221,386,302.82
Germany (Austrian indebtedness)[4]	[5] 26,005,480.99	862,668.00	25,980,480.66	25,000.33	862,668.00					
Great Britain	5,341,707,369.96	2,024,848,817.09	4,368,000,000.00	973,707,369.96	232,000,000.00	1,232,770,518.42			202,181,641.56	357,896,657.11
Greece	34,066,508.20	4,039,888.01	31,516,000.00	2,550,508.20	981,000.00	1,896,812.00			2,922.67	1,159,153.34
Hungary	[3] 2,340,511.32	488,122.64	1,908,560.00	431,951.32	73,995.50	413,374.10				753.04
Italy	2,021,340,404.05	100,829,880.16	2,004,900,000.00	16,440,404.05	37,100,000.00	5,766,708.26			364,319.28	57,598,852.62
Latvia	[3] 8,423,708.06	761,549.07	6,879,464.20	1,544,243.86	9,200.00	621,520.12				130,828.95
Liberia		36,471.56							26,000.00	10,471.56
Lithuania	[3] 7,540,167.50	1,237,956.58	6,197,682.00	1,342,485.50	234,783.00	1,001,626.61				1,546.97
Nicaragua [6]		168,575.84							141,950.36	26,625.48
Poland	[3] 255,838,294.41	22,646,297.55	206,057,000.00	49,781,294.41	1,287,297.37	19,310,775.90				2,048,224.28
Rumania	[2] 63,982,114.54	4,791,007.22	63,860,560.43	121,554.11	2,700,000.00	29,061.46			1,798,632.02	263,313.74
Russia	385,362,027.59	[7] 8,750,311.88					192,601,297.37	192,760,730.22		[7] 8,750,311.88
Yugoslavia	61,702,031.26	2,588,771.69	61,625,000.00	77,031.26	1,225,000.00				727,712.55	636,059.14
Total	13,011,846,749.58	2,749,249,727.71	11,231,157,710.25	[8] 1,372,121,903.50	475,558,016.85	1,320,346,883.25	204,561,214.86	204,005,920.97	281,990,396.99	671,354,430.62

[1] Payments of governments which have funded were made prior to the date of the funding agreements.

[2] Differences between principal of funded indebtedness and amounts here stated represent deferred payments provided for in the funding agreements, for which bonds of the respective debtor governments have been or will be delivered to the Treasury.

[3] Increase over amount funded due to exercise of options with respect to the payment of interest due on original issue of bonds of debtor governments.

[4] The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

[5] Includes additional bonds aggregating $3,489,482.75 received July 23, 1937, in exchange for bonds aggregating $1,207,742 and annuities aggregating $69,534.46, payable on Jan. 1, 1933, 1934, and 1935, but postponed as provided by agreements of May 8, 1930, and Sept. 14, 1932.

[6] The United States holds obligations in the principal amount of $289,898.78, which, together with accrued interest thereon, are to be canceled pursuant to agreement of Apr. 14, 1938, between the United States and the Republic of Nicaragua, ratified by the United States Senate on June 13, 1938.

[7] Represents proceeds of liquidation of financial affairs of the Russian Government in this country. (Copies of letter dated May 23, 1922, from the Secretary of State and of reply of the Secretary of the Treasury dated June 2, 1922, in regard to loans to the Russian Government and liquidation of affairs of the latter in this country appear in the Annual Report of the Secretary of the Treasury for 1922, as exhibit 79, p. 283, and in the combined annual reports of the World War Foreign Debt Commission, as exhibit 2, p. 84.)

[8] Includes balances of amounts postponed under provisions of joint resolution of Dec. 23, 1931. (For amounts postponed, see p. 35 of Annual Report of the Secretary of the Treasury for 1932.)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 58.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of funds allocated for recovery and relief), fiscal years 1920, 1937, and 1938, and amounts appropriated for 1939, by appropriations*

[1920 on basis of warrants issued, 1937 and 1938 on basis of checks issued]

Appropriation titles	1920	1937	1938	1939 [1]
I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS				
INDEPENDENT ESTABLISHMENTS				
Federal Power Commission				
Payments to States under Federal Power Act (U. S. C., supp. III, title 16, sec. 810)	----------	$14,527.18	$15,387.61	[2] $16,000.00
Interdepartmental Social Hygiene Board				
Payments for prevention and research, venereal diseases (41 Stat. 888)	$1,759,262.72	----------	----------	----------
Social Security Board				
Grants to States under Social Security Act (U. S. C., supp. III, title 42, sec. 301-306)	----------	[3] 153,092,861.07	[3] 258,275,313.97	[3] 310,500,000.00
Veterans' Administration				
State and Territorial homes for disabled soldiers and sailors (U. S. C., title 24, sec. 134). (Annual appropriations under title "Salaries and expenses, Veterans' Administration")	1,094,584.44	[4] 534,871.79	[4] 649,883.46	[4] 700,000.00
DEPARTMENT OF AGRICULTURE				
Payments to States and Territories for agricultural experiment stations (U. S. C., title 7, secs. 301-306; 361-386f; supp. III, title 7, secs. 369a, 427-427g)	1,440,000.00	5,610,872.82	6,229,003.19	6,541,250.00
Cooperative agricultural extension work (U. S. C., title 7, secs. 301-308; 341-348; supp. III, secs. 343c-343e)	4,471,593.71	16,343,202.76	17,251,746.46	17,917,583.00
Payments to States and Territories from the national forests fund (U. S. C., title 16, sec. 500)	1,069,886.88	995,890.71	1,214,547.00	1,275,000.00
Payments to school funds, Arizona and New Mexico, national forests fund (act June 20, 1910, 36 Stat., 561, 573, secs. 6, 24)	78,867.32	31,685.48	27,995.05	[5] 30,000.00
Payments to counties from receipts under Migratory Bird Conservation Act (U. S. C., supp. II, title 16, sec. 715s)	----------	6,276.80	7,904.04	[2] 7,900.00
Forest-fire cooperation (U. S. C., title 16, secs. 564-570)	----------	1,673,826.40	1,678,373.68	2,000,000.00
Cooperative distribution of forest planting stock (U. S. C., title 16, sec. 567)	----------	62,598.01	77,641.11	100,000.00
Cooperative construction of rural post roads (U. S. C., title 23, secs. 21, 54) (see also items of similar type under class II)	20,305,622.75	1,831,227.26	3,498,142.40	([6])
Federal-aid highway system (U. S. C., title 23, secs. 1-24, 41; supp. III, title 23, secs 21a, 23a, 41a)	----------	[7] 77,041,361.26	[8] 131,227,179.24	125,000,000.00
Federal-aid secondary or feeder roads (act June 16, 1936, 49 Stat. 1521, sec. 7)	----------	----------	3,198,981.36	20,000,000.00
Elimination of grade crossings (act June 16, 1936, 49 Stat. 1521, sec. 8)	----------	----------	4,864,784.90	40,000,000.00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 58.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of funds allocated for recovery and relief), fiscal years 1920, 1937, and 1938, and amounts appropriated for 1939, by appropriations*—Continued

Appropriation titles	1920	1937	1938	1939 [1]
I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS—Con.				
DEPARTMENT OF AGRICULTURE—con.				
Public-lands highways (act June 16, 1936, 49 Stat. 1520, sec. 3)	----------	[9] $1,293,926.28	[9] $1,717,688.84	$2,500,000.00
Conservation and use of agricultural land resources (act Feb. 29, 1936, 49 Stat. 1148)	----------	369,272,201.59	302,844,206.83	[10] 345,000,000.00
	$27,365,970.66	[11] 474,163,069.37	473,838,194.10	560,371,733.00
DEPARTMENT OF THE INTERIOR				
Colleges for agriculture and mechanic arts (U. S. C., title 7, secs. 321, 322; supp. III, sec. 343d)	2,500,000.00	2,550,000.00	2,550,000.00	2,550,000.00
Further endowment of colleges of agriculture and the mechanic arts (U. S. C., title 7, secs. 321, 322; supp. III, sec. 343d; annual appropriation provided for 1939, act May 9, 1938, 52 Stat. 336)	----------	1,480,000.00	1,980,000.00	2,480,000.00
Payments to States from receipts under Mineral Leasing Act (U. S. C., title 30, sec. 191)	----------	1,632,366.66	1,944,618.95	2,000,000.00
Payments to States under Grazing Act, June 28, 1934, public lands (U. S. C., title 43, sec. 315i)	----------	24,135.65	209,945.09	[2] 500,000.00
Payments to States under Grazing Act, June 28, 1934, Indian ceded lands (U. S. C., title 43, sec. 315j)	----------	----------	9,021.81	([12])
Payment to States of 5 percent of proceeds of public lands (receipt limitation) (U. S. C., title 31, sec. 711, par. 17; annual appropriation provided for 1939, act May 9, 1938, 52 Stat. 297)	----------	----------	2,855.92	2,000.00
Revested Oregon and California Railroad and reconveyed Coos Bay wagon-road-grant lands, Oregon (reimbursable) (act Aug. 28, 1937, 50 Stat. 874; annual appropriation provided for 1938 and 1939, act May 9, 1938, 52 Stat. 297)	----------	----------	----------	125,000.00
Payment of proceeds of sales of Coos Bay wagon-road-grant lands and timber (receipt limitation) (act Feb. 26, 1919, 40 Stat. 1180; annual appropriation provided for 1939, act May 9, 1938, 52 Stat. 297)	----------	2,000.00	27,576.73	[13] 37,279.05
Payment to certain counties in Oregon in lieu of taxes on Oregon and California grant lands (receipt limitation) (act June 9, 1916, 39 Stat. 222, sec. 10, and various supplemental acts: additional annual appropriation provided for 1939, act June 25, 1938, 52 Stat. 1129)	----------	266,135.26	750,807.56	[14] 246,000.00
Payment to counties, Oregon and California grant lands (50%)	----------	----------	----------	375,000.00
Payment to counties in lieu of taxes on Oregon and California grant lands, 25 percentum fund (25%) (act Aug. 28, 1937, 50 Stat. 875)				
Payment to Oklahoma from royalties, oil and gas, south half of Red River (receipt limitation) (act June 12, 1926, 44 Stat. 740; annual appropriation provided for 1939, act May 9, 1938, 52 Stat. 297)	----------	7,959.00	7,441.52	7,000.00
Payment to States from potash deposits, royalties and rentals, act February 7, 1927, secs. 5 and 6 (U. S. C., title 30, secs. 149, 285, 286)	----------	----------	30,579.91	([12])
	2,500,000.00	5,962,596.57	7,512,847.49	8,322,279.05

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 58.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of funds allocated for recovery and relief), fiscal years 1920, 1937, and 1938, and amounts appropriated for 1939, by appropriations*—Continued

Appropriation titles	1920	1937	1938	1939 [1]
I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS—Con.				
DEPARTMENT OF THE INTERIOR—con.				
Office of Education, Vocational Education				
(U. S. C., title 20, secs. 11–30; title 29, secs. 31–35; supp. III, title 20, secs. 15h–15p).				
Cooperative vocational education in agriculture	$707,130.02	$3,856,126.66	$6,405,728.42	$6,519,300.00
Cooperative vocational education in trades and industries	780,096.35	3,775,601.33	6,760,654.15	6,543,200.00
Cooperative vocational education, teachers, etc	619,556.42	1,026,001.89	1,885,025.24	2,094,000.00
Cooperative vocational education in home economics		1,037,002.24	3,638,973.32	3,524,500.00
Cooperative vocational education in distributive occupations			877,668.46	954,000.00
Cooperative vocational rehabilitation of persons disabled in industry (U. S. C., title 29, secs. 31–45a; supp. III, title 29, sec. 45b)		1,585,306.80	1,652,293.89	1,820,000.00
	2,106,782.79	11,280,038.92	21,220,343.48	21,455,000.00
	4,606,782.79	17,242,635.49	28,733,190.97	29,777,279.05
DEPARTMENT OF LABOR				
Grants to States under Social Security Act, Aug. 14, 1935 (U. S. C., supp. III, title 42, secs. 701–705; 711–715, 721)		5,962,338.94	7,772,896.67	9,854,000.00
Payment to States, United States Employment Service (U. S. C., title 29, secs. 49–491; supp. III, title 29, sec. 49d)		3,083,657.03	3,702,939.12	[18] 1,950,000.00
		9,045,995.97	11,475,835.79	11,804,000.00
NAVY DEPARTMENT				
State marine schools, act Mar. 4, 1911 (U. S. C., title 34, sec. 1121)	176,689.36	[16] 210,383.50	[16] 148,561.80	190,000.00
TREASURY DEPARTMENT				
Grants to States for public health work, Social Security Act, Aug. 14, 1935 (U. S. C., supp. III, title 42, secs. 801–803)		7,765,203.33	8,908,714.63	8,000,000.00
To promote the education of the blind (American Printing House for the Blind) (U. S. C., title 20, secs. 101, 102)	30,000.00	75,000.00	125,000.00	125,000.00
	30,000.00	7,840,203.33	9,033,714.63	8,125,000.00
Total class I	35,033,289.97	[11] 662,144,547.70	782,170,082.33	921,484,012.05
II. APPROPRIATIONS FOR COOPERATIVE WORK WITH STATES [17]				
DEPARTMENT OF AGRICULTURE				
Cooperative construction, etc., of roads and trails, national forests (act July 11, 1916, 39 Stat. 358)	1,699,043.82			
Federal forest road construction (act Feb. 28, 1919, 40 Stat. 1201)	2,550,513.26			
Forest roads and trails (U. S. C., title 23, sec. 23; supp. III, title 23, sec. 23a)		8,337,407.83	12,545,410.11	14,000,000.00
Cooperative fire protection of forested watersheds of navigable streams (U. S. C., title 16, sec. 563)	86,886.73			
Federal aid, wildlife restoration (act Sept. 2, 1937, 50 Stat. 917)				1,000,000.00
	4,336,443.81	8,337,407.83	12,545,410.11	15,000,000.00

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 58.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of funds allocated for recovery and relief), fiscal years 1920, 1937, and 1938, and amounts appropriated for 1939, by appropriations*—Continued

Appropriation titles	1920	1937	1938	1939 [1]
II. APPROPRIATIONS FOR COOPERATIVE WORK WITH STATES [17]—Continued				
WAR DEPARTMENT				
National Guard (U. S. C., title 32, secs. 21, 22)	$2,663,485.27	$34,283,121.03	$15,921,329.27	$42,053,582.00
Total class II	6,999,929.08	42,620,528.86	28,466,739.38	57,053,582.00
Grand total	42,033,219.05	[11] 704,765,076.56	810,636,821.71	978,537,594.05
III. EMERGENCY APPROPRIATIONS FROM WHICH GRANTS ARE MADE TO STATES				
Expenditures by States under allotments from emergency appropriations are included or shown under columns 9, 18, 19, 21, 24, 25, and 26 of the following table, with accompanying explanatory footnotes.				

[1] In addition to the amounts appropriated for the service of the fiscal year 1939, as shown in this column, there are under many of the titles unexpended balances of appropriations provided for previous fiscal years which are available for expenditure during 1939 to meet outstanding obligations incurred in such previous years.

[2] Indefinite (special account) appropriation based on certain receipts—estimated amount for 1939.

[3] Additional items pertaining to Social Security Act for fiscal years 1937-39 are shown under Department of Labor and Treasury Department.

[4] This activity transferred from War Department to Veterans' Administration by Executive order of July 21, 1931. Included in appropriation "Salaries and Expenses, Veterans' Administration", beginning with the fiscal year 1934. The Veterans' Administration reports expenditures of $649,883.46 during the fiscal year 1938, and an allocation of $700,000 to cover estimated expenditures during the fiscal year 1939.

[5] Indefinite appropriation—estimated amount for 1939.

[6] Provided for under following item.

[7] Amount $344,728,713.07, shown for this item in table 53, annual report for 1937, amended to exclude expenditures from Emergency Relief and National Industrial Recovery funds, included under table 54.

[8] For additional expenditures for Federal-aid highways and related projects, from funds under Emergency Relief and National Industrial Recovery appropriations, see column 18 of following table.

[9] Additional item not included in table 53, annual report for 1937.

[10] Additional sum of $155,000,000 made available by transfer from other appropriations.

[11] Amended total—see notes 7 and 9 above.

[12] Indefinite (special account) appropriation based on certain receipts—no amount estimated for 1939.

[13] Includes $7,279.05 appropriated for the fiscal year 1938 by Second Deficiency Act, 1938, June 25, 1938 (52 Stat. 1129).

[14] Supplemental appropriation for fiscal year 1938 by Second Deficiency Act, 1938, June 25, 1938 (52 Stat. 1129). See two following items for 1939 accounts.

[15] Unused balances for fiscal year 1937 also available for 1939.

[16] Includes payments of $25,000 each to States of California, Massachusetts, New York, and Pennsylvania during fiscal year 1937; New York not included in 1938 expenditures.

[17] Only the more important appropriations are shown.

NOTE.—The expenditures shown in this table include in some cases administrative expenses. Data for the fiscal years 1921 to 1930 are shown in the annual report for 1930, pp. 617 to 622; and for the fiscal years 1931 to 1936, in corresponding tables in the annual reports for those years.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 59.—*Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid during the fiscal year 1938* [1]

[The records of the Treasury Department, except in the cases mentioned in notes at end of this statement, do not show the amounts disbursed or allotted to the several States and Territories under the respective appropriations shown in this statement, such matters being under the control of the department or establishment of the Government that administers the activities covered by the appropriations. The Department, however, for general information has compiled from its records so far as available, and in other cases from figures furnished by the departments and establishments concerned, the following statement, exhibiting by States and Territories the amounts paid to each under the appropriations for Federal aid to States shown under classes I and II in the preceding statement (table 58). Any discrepancies between this and the preceding table are due to unavoidable differences in the bases upon which these figures have been compiled. The amounts in this table, derived from the accounts of various departments and establishments, are not on the same accounting bases, and are consequently not strictly comparable]

DIRECT PAYMENTS TO STATES, ETC., UNDER COOPERATIVE ARRANGEMENTS

States, etc.	Under Department of Agriculture				Under Department of the Interior				
	Agricultural experiment stations (1)	Agricultural extension work (2)	Forest funds, etc.[2] (3)	Highways [3] (4)	Colleges for agriculture and mechanic arts (5)	Payments from receipts under Mineral Leasing Act (6)	Payments under certain special funds [4] (7)	Cooperative vocational education and rehabilitation (8)	Office of Education [5] (9)
Alabama	$152,021.34	$630,504.98	$47,630.99	$2,736,958.21	$91,574.46	$2,844.90	$186.97	$542,972.21	$7.74
Alaska	24,177.36	18,918.00	15,398.49		50,000.00			7,138.86	
Arizona	99,316.92	116,961.84	97,551.64	2,334,066.42	73,551.16	.24	14,760.37	123,434.69	141.61
Arkansas	137,987.40	536,538.92	111,297.89	3,327,634.93	85,119.32	1,077,893.07	103.58	413,480.34	3,644.19
California	139,456.47	389,615.94	327,136.63	5,998,366.04	116,285.76	46,418.06	9,666.70	931,001.97	1,854.58
Colorado	106,823.22	212,270.25	131,220.98	2,681,246.91	78,444.64		16,860.95	198,713.71	27.55
Connecticut	105,483.56	129,810.97	11,475.00	283,053.43	83,100.84			166,331.13	561.33
Delaware	93,757.65	72,497.93	3,059.44	320,011.59	71,943.48			106,769.74	
District of Columbia				95,905.00				23,500.00	343,304.53
Florida	113,101.23	217,146.92	98,239.92	1,350,427.28	81,970.10		82.76	268,638.30	
Georgia	155,642.19	683,457.88	70,061.58	2,879,104.00	93,712.62			640,208.94	2,954.05
Hawaii	56,889.80	116,890.67	2,159.00	379,778.50	73,002.98			101,091.57	
Idaho	100,288.92	154,182.28	168,733.28	1,947,354.01	73,628.28	812.72	11,265.96	130,075.69	
Illinois	155,042.63	513,083.29	4,542.33	6,640,376.78	132,211.56			974,036.71	1,553.94
Indiana	137,041.95	399,013.81	9,495.71	3,717,393.08	96,403.02			581,474.39	
Iowa	138,640.98	495,442.24	1,653.09	4,811,703.74	90,145.20			310,570.78	1.05
Kansas	127,538.22	389,345.03	1,645.00	3,116,071.75	85,335.50	15.00		226,169.83	58.56
Kentucky	149,203.53	578,385.31	16,436.16	2,547,585.80	91,316.34			471,751.04	1,498.22
Louisiana	131,350.08	430,661.06	46,443.01	668,522.83	87,133.98	23,952.25	49.66	422,105.85	
Maine	105,519.12	156,011.15	44,043.22	1,666,608.60	76,501.28			112,765.50	
Maryland	111,412.86	195,281.56	11,820.00	863,277.00	83,301.58			255,554.91	45.09
Massachusetts	103,636.65	137,165.77	26,067.00	1,493,585.10	104,646.46			504,423.80	46.14
Michigan	140,225.88	434,686.33	102,148.11	4,334,279.89	109,478.74		33.90	803,556.48	24.02
Minnesota	132,598.23	442,542.36	90,032.26	4,080,129.70	90,903.52		15.17	432,818.86	1,353.86

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 59.—*Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid during the fiscal year 1938*[1]—Continued

DIRECT PAYMENTS TO STATES, ETC., UNDER COOPERATIVE ARRANGEMENTS—Continued

States, etc.	Under Department of Agriculture				Under Department of the Interior				
	Agricultural experiment stations	Agricultural extension work	Forest funds, etc.	Highways	Colleges for agriculture and mechanic arts	Payments from receipts under Mineral Leasing Act	Payments under certain special funds	Cooperative vocational education and rehabilitation	Office of Education[5]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Mississippi	$144,488.55	$618,828.27	$51,166.27	$2,828,814.72	$86,385.76		$47.27	$456,689.79	$7.90
Missouri	147,725.85	565,568.10	3,940.20	4,562,703.32	99,589.68			667,107.09	20.76
Montana	101,627.37	174,671.83	80,722.29	2,517,094.08	74,383.02	$30,433.89	3,330.17	135,805.67	
Nebraska	119,082.45	343,644.71	5,109.07	2,511,027.53	81,234.32		80.35	228,874.22	
Nevada	91,845.48	73,107.77	22,248.88	2,506,293.71	70,742.38	60.00	23,872.80	51,081.19	
New Hampshire	96,267.90	93,154.24	25,814.66	395,361.07	73,793.46			70,424.10	2,284.21
New Jersey	112,894.38	171,082.26	26,374.36	1,072,260.90	102,948.38			522,120.24	7.23
New Mexico	100,320.75	142,417.10	41,008.21	2,717,503.63	73,451.24	201,907.88	55,480.52	114,239.82	
New York	157,373.71	476,969.26	61,541.00	7,997,690.93	172,628.60			1,726,305.44	366.24
North Carolina	166,971.00	757,679.43	67,928.83	3,825,764.01	95,846.78			669,272.25	2,840.07
North Dakota	108,506.82	246,161.45	2,579.06	1,653,348.05	75,550.82	6,721.83	27.52	139,186.22	
Ohio	159,761.07	562,655.40	7,538.87	3,625,103.81	124,189.52			1,061,807.42	5,182.97
Oklahoma	141,338.13	519,322.86	19,232.40	3,328,981.89	89,534.56		7,447.63	506,478.50	2,003.73
Oregon	105,131.85	186,845.64	252,123.90	2,579,702.71	77,776.08		258,210.40	184,192.87	890.20
Pennsylvania	191,017.14	500,474.47	46,671.69	5,803,806.31	148,522.94			1,468,863.95	1,958.61
Philippine Islands									
Puerto Rico	72,927.89	93,498.44	1,806.51	343,978.00	50,000.00			226,378.98	
Rhode Island	91,697.08	47,141.96	1,820.00	842,066.72	75,605.06			87,302.09	
South Carolina	134,598.72	456,383.25	44,661.84	2,477,076.48	84,175.88			388,062.37	13.09
South Dakota	108,324.33	261,171.17	27,134.80	1,721,999.20	75,648.70	97.17	78.51	129,867.71	6.00
Tennessee	146,087.91	588,298.40	31,654.19	1,907,690.20	91,332.38			575,521.97	2,342.34
Texas	202,023.57	1,096,950.53	52,674.64	9,041,892.41	117,488.02			1,161,847.00	1,109.99
Utah	97,877.76	120,972.95	38,245.67	1,545,314.48	74,140.40	37,708.94	56,591.65	125,131.37	170.49
Vermont	97,853.70	112,671.29	9,702.31	1,021,022.74	72,931.86			88,218.75	
Virginia	143,358.42	510,165.84	39,974.37	2,676,729.79	89,744.98			471,087.22	
Virgin Islands									
Washington	112,136.79	217,646.27	218,923.50	2,361,112.05	82,746.14		976.69	278,100.86	168.11
West Virginia	130,360.08	307,983.08	33,868.53	938,473.55	84,097.94			251,351.26	275.26
Wisconsin	135,168.66	446,333.49	66,814.41	4,667,006.84	93,961.28		343.82	575,170.74	562.67
Wyoming	95,069.64	109,743.71	60,361.33	2,239,603.00	71,839.00	515,693.00	32,953.36	111,268.99	
Total	6,229,003.19	17,251,957.66	2,779,932.52	137,982,862.72	4,530,000.00	1,944,618.95	492,466.71	21,220,343.38	377,286.33

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

States, etc.	Under Department of Labor	Under Navy Department	Under Treasury Department	Under Independent Offices			Total direct payments
	U. S. Employment Service	State marine schools	To promote education of the blind—American Printing House for the Blind	Payments to States under Federal Water Power Act	State and Territorial homes for disabled soldiers and sailors	Payments to States under Social Security Act [5]	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Alabama	$65,239.19		$2,300.54	$42.53		$2,599,916.79	$6,872,200.85
Alaska	7,500.00		116.19	308.79		252,769.40	376,327.09
Arizona	12,526.36		441.52	226.51		1,417,327.75	4,290,307.03
Arkansas	10,834.92		1,452.36	1.88		1,804,905.12	7,510,893.92
California	310,905.59	$25,000.00	2,126.25	9,138.00	$156,381.86	25,545,740.19	34,009,094.04
Colorado	50,512.23		708.75	528.57	10,198.90	6,494,225.68	9,981,782.34
Connecticut	71,263.80		778.47		41,981.39	3,845,384.08	4,739,234.00
Delaware	12,500.01					496,255.31	1,176,795.15
District of Columbia						1,188,600.81	1,651,310.34
Florida			1,150.27	.03		2,918,418.25	5,049,175.06
Georgia	61,250.00		1,266.46			2,340,595.21	6,928,252.93
Hawaii	6,991.24		244.00			498,822.52	1,235,870.28
Idaho	23,648.39		278.85	1,628.07	7,205.34	1,687,313.10	4,306,414.89
Illinois	278,948.28		3,671.58		79,128.46	14,977,093.50	23,759,689.06
Indiana	101,142.66		1,580.17		7,279.87	8,072,247.23	13,123,071.89
Iowa	88,066.18		2,195.97		22,781.64	5,696,965.21	11,658,166.08
Kansas	48,367.06		1,312.94		8,538.90	2,192,758.37	6,197,156.16
Kentucky	30,723.68		1,975.20			2,844,162.60	6,733,037.88
Louisiana	74,894.12		1,615.03			3,289,175.18	5,175,903.05
Maine	20,000.00					1,452,736.12	3,634,184.99
Maryland	60,460.90		1,742.84			3,943,157.51	5,526,054.25
Massachusetts	91,254.78	25,000.00	3,113.87		50,013.60	15,083,407.74	17,622,360.91
Michigan	202,500.00		3,264.91	16.89	18,485.91	10,128,738.25	16,277,439.31
Minnesota	68,310.88		2,149.50	11.19	33,788.80	10,578,753.96	15,953,408.29
Mississippi	35,500.00		1,266.46			1,060,082.73	5,283,277.72
Missouri	126,806.67		1,208.37	.28	6,749.33	7,090,551.85	13,271,971.50
Montana	9,897.66		255.62	327.72	4,474.17	1,840,641.67	4,973,665.16
Nebraska	40,121.62		731.99		13,892.70	2,877,165.28	6,220,964.24
Nevada	10,638.18			118.91		438,217.90	3,288,227.20
New Hampshire	14,981.01				4,981.10	1,100,751.83	1,877,813.58
New Jersey	122,365.98		720.37		17,178.28	4,685,235.15	6,833,187.53
New Mexico	13,222.01		1,022.46			729,075.18	4,189,648.80
New York	303,332.80		5,240.12		606.59	26,116,997.58	37,019,052.27

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 59.—*Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid during the fiscal year 1938*[1]—Continued

DIRECT PAYMENTS TO STATES, ETC., UNDER COOPERATIVE ARRANGEMENTS—continued

States, etc.	Under Department of Labor	Under Navy Department	Under Treasury Department	Under Independent Offices			Total direct payments
	U. S. Employment Service	State marine schools	To promote education of the blind—American Printing House for the Blind	Payments to States under Federal Water Power Act	State and Territorial homes for disabled soldiers and sailors	Payments to States under Social Security Act	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)
North Carolina	$86,963.87		$3,311.39	$35.16		$3,295,444.45	$8,972,057.24
North Dakota	18,483.28		429.90		$3,595.60	1,088,414.53	3,343,005.08
Ohio	205,078.87		3,392.72		57,842.97	18,575,832.54	24,388,386.16
Oklahoma	75,000.00		1,870.65			5,788,938.87	10,480,149.22
Oregon	43,542.40		1,312.93	1,164.82		3,201,795.06	6,892,688.86
Pennsylvania	266,957.69	$25,000.00	4,717.27	37.75	35,020.96	24,139,617.96	32,632,666.74
Philippine Islands			197.52				197.52
Puerto Rico			557.71	13.25			789,160.78
Rhode Island	21,470.34				8,174.30	1,633,629.51	2,808,907.06
South Carolina	29,700.00		1,173.51			1,729,775.94	5,345,621.08
South Dakota	21,637.55		406.66	29.77	11,212.73	1,541,407.20	3,899,021.50
Tennessee	67,876.52		2,323.78	1.87		3,080,947.81	6,494,077.37
Texas	181,828.53		4,252.51			12,841,559.82	24,701,627.02
Utah	15,201.11		360.19	751.27		2,570,633.41	4,683,159.69
Vermont	9,997.86				5,109.87	874,217.00	2,291,725.38
Virginia	62,315.49		1,789.31	23.41		1,179,556.57	5,174,745.40
Virgin Islands							
Washington	101,844.20		1,196.75	812.57	35,366.96	6,573,219.25	9,984,250.14
West Virginia	45,120.00		1,556.93	1.35		3,594,344.92	5,387,432.90
Wisconsin	91,791.08		2,219.21	2.09	9,505.76	7,296,246.78	13,385,126.83
Wyoming	18,267.49			164.93	387.47	663,154.60	3,918,506.52
Total	3,737,782.48	75,000.00	75,000.00	15,387.61	649,883.46	274,956,925.27	472,318,450.28

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

States, etc.	Under Department of Agriculture				Under Department of the Interior	Under War Department	Under independent offices				Total payments within States	Grand total
	Highways		Farm Security Administration [7]	Agricultural adjustment program	Puerto Rico Reconstruction Administration [8]	National Guard	Civilian Conservation Corps	Federal Emergency Administration of Public Works grants [5 7]	Federal Emergency Relief Administration, grants [5]	Works Progress Administration [5]		
	Forest Service [7]	Bureau of Public Roads [5 7]										
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Alabama	$40,894.17	$915,597.00	$2,950,254.63	$5,039,196.00		$719,886.56	$6,140,947.16	$1,083,218.80		$13,918,626.14	$30,808,620.46	$37,680,821.31
Alaska	674,758.29	573,691.79		3,198.56			613,518.74	119,979.57	$340.74	20,287.18	2,006,274.87	2,382,601.96
Arizona	661,393.53	1,311,227.23	561,413.86	1,192,098.71		216,366.74	7,652,862.59	924,062.30		5,405,055.18	17,924,480.14	22,214,787.17
Arkansas	139,112.34	974,535.95	2,690,961.71	9,838,527.42		684,616.28	7,482,716.92	1,364,471.80		12,516,775.07	35,691,717.49	43,202,611.41
California	1,879,645.71	3,744,936.41	1,830,044.64	7,797,899.44		1,464,209.58	16,834,501.48	10,008,125.71		70,554,243.92	114,113,606.89	148,122,700.93
Colorado	919,874.39	1,620,508.78	1,296,248.67	4,765,409.99		498,558.40	7,373,399.47	4,588,769.67		15,202,393.72	36,265,153.09	46,246,935.43
Connecticut		1,965,698.11	155,830.96	354,491.40		952,765.77	1,950,298.26	1,760,683.55		15,922,670.31	23,073,438.37	27,812,672.37
Delaware		144,899.00	65,554.74	483,077.87		150,365.40	949,332.76	82,575.48		1,544,718.23	3,420,523.48	4,597,318.63
District of Columbia	40,538.16	32,053.79	5,248,902.18	7,413,997.74		349,135.11	524,393.75		449,775.37	5,465,120.99	19,523,917.09	21,175,227.43
Florida	85,860.08	857,089.78	1,930,509.86	1,543,395.28		464,309.24	3,617,325.96	1,967,497.26		15,172,715.19	25,688,682.65	30,737,857.71
Georgia	39,932.85	4,891,313.06	1,811,919.95	5,403,879.93		611,238.95	6,533,069.71	1,783,898.11		15,014,269.06	36,089,521.62	43,017,774.55
Hawaii		409,487.11	2,385.41	1,061,168.66		270,606.93	539,639.74	550,788.03	1,135.03	1,898,132.94	4,783,343.85	6,019,214.13
Idaho	1,627,870.65	1,761,891.84	523,822.18	2,463,765.25		329,334.05	9,756,851.64	756,542.98		5,096,484.66	22,316,563.25	26,622,978.14
Illinois	22,169.68	4,855,805.48	1,017,695.50	9,204,203.05		1,850,463.51	10,796,197.52	13,874,199.32		107,120,961.49	148,741,695.55	172,501,384.61
Indiana		1,442,256.23	1,174,682.96	6,184,018.84		1,022,125.58	6,109,187.44	3,314,074.35		44,413,722.50	63,660,067.90	76,783,139.79
Iowa		2,225,765.53	170,896.53	18,046,799.04		674,365.02	6,082,034.67	1,897,312.14		15,433,165.18	44,530,378.11	56,188,544.19
Kansas		1,087,048.10	1,482,798.98	15,394,837.92		530,779.15	3,012,936.07	2,653,275.42		18,173,761.25	42,385,436.89	48,582,593.05
Kentucky	29,342.69	2,233,160.59	845,247.76	10,949,138.94		490,286.46	6,406,030.81	1,993,938.36		21,410,561.17	44,357,706.78	51,090,744.66
Louisiana	44,000.71	1,612,772.78	1,557,550.89	5,572,992.03		377,126.83	6,112,331.97	2,150,819.53	431.52	16,566,856.40	33,994,882.71	39,170,785.76
Maine	3,060.54	1,574,387.30	396,281.85	881,843.47		460,383.43	1,558,490.17	224,669.88		3,532,476.20	8,641,592.84	12,275,777.83
Maryland		1,338,475.34	3,460,927.62	1,326,414.27		785,737.59	4,508,937.55	2,938,460.41		7,063,998.92	21,422,951.70	26,949,005.95
Massachusetts		4,600,183.97	4,059.90	387,738.07		1,974,155.17	4,768,675.50	3,464,070.17	462.64	67,833,047.80	83,032,393.22	100,654,754.13
Michigan	111,289.83	1,004,624.64	1,125,462.54	6,309,504.26		1,058,814.16	9,606,216.14	7,413,803.01		59,377,788.69	86,007,503.27	102,284,942.58
Minnesota	162,575.14	2,183,984.76	2,117,651.80	15,099,835.92		1,057,509.05	9,799,602.57	5,245,120.19		35,170,333.48	70,846,612.91	86,800,021.20
Mississippi	33,967.14	1,346,612.61	1,458,042.41	9,070,882.69		406,190.70	6,045,708.74	7,147,430.85		10,982,849.37	36,491,684.51	41,774,962.23
Missouri	35,944.57	2,008,792.34	928,069.39	10,424,550.50		947,829.18	8,625,752.56	6,839,295.34		40,961,823.60	70,772,057.48	84,044,028.98
Montana	1,140,279.85	1,708,609.60	4,661,585.16	8,378,743.81		263,042.62	5,032,561.92	1,839,127.65	2,427.17	10,723,050.90	33,749,528.68	38,723,193.84
Nebraska	19,138.03	1,650,952.94	2,610,400.92	12,764,538.27		273,809.22	3,577,528.15	2,377,060.60		15,314,117.76	38,587,545.89	44,808,510.13
Nevada	258,362.33	1,515,507.85	43,902.14	207,420.91		42,839.00	3,279,061.88	151,939.06		1,362,491.48	6,861,524.65	10,149,751.85

Footnotes at end of table.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 59.—*Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid during the fiscal year 1938*[1]—Continued

GRANTS TO AND EXPENDITURES WITHIN STATES, ETC., PROVIDING DIRECT RELIEF, WORK, RELIEF, AND OTHER AID, EXCLUSIVE OF LOANS—continued

States, etc.	Under Department of Agriculture				Under Department of the Interior	Under War Department	Under independent offices				Total payments within States	Grand total
	Highways		Farm Security Administration	Agricultural adjustment program	Puerto Rico Reconstruction Administration	National Guard	Civilian Conservation Corps	Federal Emergency Administration of Public Works grants	Federal Emergency Relief Administration, grants	Works Progress Administration		
	Forest Service	Bureau of Public Roads										
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
New Hampshire	$60,682.63	$995,755.81	$6,945.09	$205,047.36		$267,618.02	$2,156,516.75	$319,620.15		$4,452,534.20	$8,464,720.01	$10,342,533.59
New Jersey		2,613,294.15	306,715.85	983,926.28		1,246,401.59	4,901,060.09	5,807,722.30		59,878,704.25	75,737,824.51	82,571,012.04
New Mexico	516,706.77	1,368,253.78	524,803.77	2,579,435.12		219,309.19	7,519,688.50	734,832.11		5,612,498.46	19,075,527.70	23,265,176.50
New York		5,189,471.65	962,961.30	3,971,804.87		3,884,071.33	11,800,856.86	24,645,929.31		206,455,627.35	256,910,722.67	293,929,774.94
North Carolina	49,783.47	2,293,452.02	2,888,720.66	9,174,264.10		598,972.27	9,148,215.65	1,975,694.37		11,337,380.28	37,466,482.82	46,438,540.06
North Dakota		1,988,845.94	8,543,802.68	14,539,381.94		268,000.00	2,295,928.83	460,885.06		8,460,298.49	36,557,142.99	39,900,148.07
Ohio		5,108,870.14	5,687,756.25	6,611,917.72		1,785,944.46	7,057,576.84	7,283,628.47	$6,655.76	107,142,219.05	140,684,568.69	165,072,954.85
Oklahoma	14,828.18	2,447,323.24	1,525,476.03	12,293,929.29		938,221.49	8,683,039.16	2,094,121.57		22,016,548.29	50,013,487.25	60,493,636.47
Oregon	2,030,628.78	2,625,904.12	1,170,128.93	2,684,413.84		724,579.63	10,009,727.95	1,571,561.25		10,808,039.99	31,624,984.49	38,517,673.35
Pennsylvania	72,283.72	13,306,995.16	895,350.79	3,406,088.81		2,449,097.92	11,174,391.85	11,875,720.90		154,172,049.44	197,351,978.59	229,984,645.33
Philippine Islands				1,300.33							1,300.33	1,497.85
Puerto Rico	1,508.84		800,351.69	1,344,145.97	$577,340.95	294,426.40	959,487.56	615,345.02		38,080.98	4,630,687.41	5,419,848.19
Rhode Island		161,481.23	154,748.45	28,684.99		361,319.05	1,010,965.49	2,258,302.97		8,614,830.04	12,590,332.22	15,399,239.28
South Carolina	60,638.39	1,511,572.15	2,226,019.51	5,427,887.67		435,174.47	6,296,915.71	1,898,137.39		10,882,145.82	28,738,491.11	34,084,112.19
South Dakota	139,287.73	2,128,368.54	7,240,002.19	13,734,528.94		314,749.64	4,942,825.69	688,573.89		10,170,082.63	39,358,419.25	43,257,440.75
Tennessee	43,418.55	3,263,768.02	1,718,463.84	7,044,632.50		698,971.42	7,416,681.84	4,004,188.44		11,545,388.14	35,735,512.75	42,229,590.12
Texas	35,185.56	2,832,538.52	1,347,867.70	34,131,492.77		1,888,294.06	12,938,786.06	7,228,406.35		28,644,976.60	89,047,547.62	113,749,174.64
Utah	396,736.98	1,250,862.42	247,953.00	1,000,400.73		403,393.10	6,134,424.88	735,879.65		6,302,581.25	16,472,232.01	21,155,391.70
Vermont	21,836.84	411,115.21	4,723.94	474,726.49		205,211.95	4,641,636.60	495,263.49		2,212,550.93	8,467,065.45	10,758,790.83
Virginia	69,488.26	2,048,958.32	1,153,924.39	2,929,843.72		628,804.95	11,958,636.93	2,418,183.23		10,004,403.96	31,212,243.76	36,386,989.16
Virgin Islands			17,302.42				144,430.57		22,654.11	21.87	184,408.97	184,408.97
Washington	1,108,376.02	1,690,820.57	713,813.69	2,148,446.25		867,558.36	9,374,985.36	5,033,375.28		24,082,803.99	45,020,179.52	55,004,429.66
West Virginia	79,489.39	1,652,885.23	889,333.45	1,104,547.61		284,510.06	5,489,086.68	1,024,462.67		19,849,866.90	30,374,181.99	35,761,614.89
Wisconsin	65,038.63	1,381,806.27	5,566,499.06	9,101,232.02		881,133.49	9,835,231.70	3,977,108.08		36,725,171.86	67,533,221.11	80,918,347.94
Wyoming	462,458.43	1,176,727.00	257,478.87	2,456,956.31		157,187.15	3,479,927.72	589,423.46		2,127,344.21	10,707,503.15	14,626,009.67
Total	13,198,387.85	109,040,919.40	87,025,338.69	314,942,603.92	577,340.95	38,789,799.68	324,731,187.16	176,251,574.96	484,382.34	1,414,708,637.76	2,479,750,172.71	2,952,068,622.99

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

[1] Amounts shown in the numbered columns are based upon figures furnished by departments and agencies of the Government as follows: 1–4 and 17–20, Department of Agriculture; 5, 6, 7 (in part), and 8, Department of the Interior; 7 (in part), 11, and 13, Treasury Department (based upon warrants issued); 9, 15, 21, 24 (in part), 25, and 26, Treasury Department (based upon checks issued); 10, Department of Labor; 12, American Printing House for the Blind; 14, Veterans' Administration; 22, National Guard Bureau, War Department; 23, Civilian Conservation Corps; 24 (in part), Federal Emergency Administration of Public Works.

[2] Column 3 includes: $1,214,547, payments to States and Territories, national forests fund; $27,995.05, payments to school funds, Arizona and New Mexico, national forests fund; $1,463,246.26, forest fire cooperation; $66,240.17, cooperative distribution of forest planting stock; and $7,904.04, receipts due counties under Migratory Bird Conservation Act.

[3] Column 4 includes: $60,984.50, cooperative construction of rural post roads; $129,858,111.96, Federal-aid highway system (regular); $8,063,766.26, Federal-aid highway system, secondary and feeder roads and grade crossing elimination.

[4] Column 7 includes: $2,855.92, 5 percent funds to States (lands); $7,441.52, payment to Oklahoma from royalties, oil and gas, south half of Red River; $232,622.46, payment to certain counties in Oregon in lieu of taxes on Oregon and California grant lands; $218,966.90, payments to States from receipts under Grazing Act of June 28, 1937, public lands; and $30,579.91, payments to States from potash deposits, royalties and rentals, act February 7, 1927.

[5] Columns 9, 21, 25, and 26 represent expenditures from allocations under the Emergency Relief Act of 1935 and supplemental acts, of $377,286.33, $577,340.95, $484,382.34, and $1,414,708,637.76, respectively. Columns 18 and 24 include allocations under the same acts of $79,064,310.21 and $156,505,387.10, respectively.

[6] Column 15 includes: $258,275,313.97, Social Security Board; $7,772,896.67, Department of Labor; $8,908,714.63, Treasury Department, Public Health Service.

[7] Column 19 represents expenditures from allocations under the several relief acts. Columns 17, 18, and 24 include allocations under the National Industrial Recovery Act of $150,239.41, $11,701,470.33, and $19,746,187.86, respectively.

NOTE.—This statement does not include appropriations made by Congress for direct relief or loans to States on account of floods, hurricanes, fires, drought, etc.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

PERSONNEL

TABLE 60.—*Number of employees in the departmental service of the Treasury in Washington, by months, from June 30, 1937, to June 30, 1938* [1]

Bureau, office, or division	June	July	August	September	October	November	December
Accounts and Deposits:							
Office of Commissioner	36	110	109	111	110	110	111
Bookkeeping and Warrants	74	[2]					
Disbursement	665	665	650	640	625	621	625
Appointments	26	22	22	22	22	22	22
Budget	41	41	42	42	42	42	41
Chief Clerk	426	408	404	403	394	395	394
Coast Guard	250	248	230	211	210	210	211
Comptroller of Currency	229	129	129	125	126	126	126
Customs	182	183	183	183	185	184	183
Emergency banking	181	94	95	94	96	92	91
Emergency relief	2,541	2,447	2,308	2,252	2,234	2,223	2,221
Engraving and Printing	5,047	5,139	5,146	5,181	5,297	5,365	5,348
Federal Alcohol Administration	176	176	172	172	173	172	170
Internal Revenue	4,935	5,175	5,232	5,317	5,357	5,373	5,331
Mint	13	46	46	46	46	46	47
Narcotics	87	87	88	89	89	89	87
Printing	36	34	34	34	34	33	34
Procurement:							
Public Buildings Branch	1,327	1,312	1,292	1,181	1,153	1,138	1,143
Branch of Supply	897	744	724	708	731	757	731
Public Debt:							
Office of Commissioner	29	30	29	29	29	29	29
Accounts and Audit	165	163	163	160	158	160	159
Bond roll	11	38	36	38	38	37	37
Loans and Currency	1,753	1,686	1,602	1,556	1,537	1,525	1,522
Miscellaneous	28	28	28	28	28	28	28
Register of Treasury	427	396	391	383	383	382	378
Public Health	223	224	330	342	336	328	338
Secret Service	21	21	20	20	19	22	22
Secretary:							
Office of Secretary	102	49	49	49	49	48	49
General Counsel	38	20	20	20	18	20	22
Research and Statistics	[3]	16	16	16	15	15	15
Savings Bonds	199	207	218	211	223	236	238
Treasurer of United States	1,073	1,055	1,037	1,031	1,005	989	991
Total	21,238	20,993	20,845	20,694	20,762	20,817	20,744

Footnotes at end of table

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 60.—*Number of employees in the departmental service of the Treasury in Washington, by months, from June 30, 1937, to June 30, 1938* [1]—Continued

Bureau, office, or division	January	February	March	April	May	June	Increase or decrease (−)
Accounts and Deposits:							
Office of Commissioner	112	112	119	120	134	132	96
Bookkeeping and Warrants							[2]−74
Disbursement	618	613	617	618	620	620	−45
Appointments	22	22	22	21	22	22	−4
Budget	40	40	40	40	40	40	−1
Chief Clerk	386	394	399	409	416	413	−13
Coast Guard	207	209	209	208	210	216	−34
Comptroller of Currency	124	124	124	124	131	134	−95
Customs	183	183	183	183	183	184	2
Emergency banking	90	88	87	89	93	94	−87
Emergency relief	2,223	2,244	2,350	2,366	2,384	2,385	−156
Engraving and Printing	5,367	5,381	5,394	5,408	5,427	5,465	418
Federal Alcohol Administration	169	171	170	170	170	169	−7
Internal Revenue	5,216	5,230	5,238	5,208	5,175	5,189	254
Mint	47	47	47	47	47	47	34
Narcotics	88	89	90	82	82	82	−5
Printing	36	37	36	34	39	39	3
Procurement:							
Public Buildings Branch	1,139	1,151	1,172	1,210	1,243	1,441	114
Branch of Supply	738	704	679	660	642	642	−255
Public Debt:							
Office of Commissioner	29	29	29	29	29	29	
Accounts and Audit	159	156	157	157	154	153	−12
Bond roll	37	36	36	33	30	31	20
Loans and Currency	1,501	1,488	1,471	1,462	1,453	1,436	−317
Miscellaneous	28	28	28	28	28	28	
Register of Treasury	379	375	373	375	373	373	−54
Public Health	342	343	342	358	361	363	140
Secret Service	22	22	22	22	22	22	1
Secretary:							
Office of Secretary	48	48	48	48	45	45	−57
General Counsel	22	22	21	21	21	21	−17
Research and Statistics	16	16	16	18	18	21	[3]21
Savings Bonds	240	237	233	227	221	218	19
Treasurer of United States	976	978	972	963	959	967	−106
Total	20,604	20,617	20,724	20,738	20,772	21,021	−217

[1] The figures in this table show the actual number of names appearing on pay rolls for the period covering the last half of each month.
[2] Beginning July 1, 1938, employees were included in Office of Commissioner.
[3] Prior to July 1, 1938, employees were included in Office of Secretary.

TABLE 61.—*Number of employees in the departmental and field services of the Treasury on June 30, 1937, and June 30, 1938* [1]

Bureau, office, or division	June 30, 1937			June 30, 1938			Increase or decrease (−)		
	Departmental	Field	Total	Departmental	Field	Total	Departmental	Field	Total
Coast Guard	250	10,200	10,450	216	10,334	10,550	−34	134	100
Customs	182	8,731	8,913	184	8,747	8,931	2	16	18
Disbursement	665	363	1,028	620	353	973	−45	−10	−55
Emergency relief	2,541	10,647	13,188	2,385	7,777	10,162	−156	−2,870	−3,026
Internal Revenue	4,935	18,666	23,601	5,189	19,226	24,415	254	560	814
Mint	13	1,161	1,174	47	996	1,043	34	−165	−131
Narcotics	87	289	376	82	230	312	−5	−59	−64
Procurement:									
Public Buildings Branch	1,327	1,885	3,212	1,441	1,733	3,174	114	−152	−38
Branch of Supply	897		897	642	4	646	−255	4	−251
Public Debt	2,413	17	2,430	2,050	19	2,069	−363	2	−361
Public Health	223	[2]6,200	[2]6,423	363	6,115	6,478	140	−85	55
Secret Service	21	278	299	22	280	302	1	2	3
All others	7,684		7,684	7,780		7,780	96		96
Total	21,238	[2]58,437	[2]79,675	21,021	55,814	76,835	−217	−2,623	−2,840

[1] The figures in this table show the actual number of names appearing on pay rolls for the period covering the last half of the month.
[2] Revised; see p. 114.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

TABLE 62.—*Number of persons retired, departmental and field services of the Treasury, August 20, 1920, to June 30, 1938, and number of persons eligible for retirement but retained, as of June 30, 1938*

Bureau, office, or division	Retired					Retained as of June 30, 1938
	On account of age	On account of disability	Involuntary separation, 15 years' service	Involuntary separation, 30 years' service	Total	
DEPARTMENTAL						
Accounts and Deposits	1	1	1	1	4	
Appointments	1	3	2		6	
Auditors	86	11	1		98	
Bookkeeping and Warrants	10	7		2	19	
Chief Clerk	130	47	1		178	
Coast Guard	9	13		3	25	
Comptroller of the Currency	51	23	1	19	94	
Customs	10	4		3	17	
Disbursement	15	18		1	34	
Engraving and Printing	846	550	20	1	1,417	2
Internal Revenue	127	182	9	14	332	1
Mint	1	1		2	4	1
Narcotics	1	2		1	4	
Printing	9	11			20	
Procurement	65	58	2	19	144	2
Prohibition	5				5	
Public Debt:						
Office of Commissioner	9	7			16	
Public Debt Accounts and Audit	4	11			15	
Loans and Currency	81	160	2		243	
Register of the Treasury	47	80	1	1	129	
Public Health	8	10	6		24	
Public Moneys	3	1			4	
Secret Service	14	5			19	
Secretary		3		3	6	
Superintendent of Treasury Buildings	5	5			10	
Treasurer	126	234		66	426	
War Risk Insurance	14	1			15	
Total departmental	1,678	1,448	46	136	3,308	6
FIELD						
Coast Guard	28	16	2	1	47	
Customs	1,682	540	6	146	2,374	
Internal Revenue	525	214	154	70	963	1
Mint and Assay	332	66	6	2	406	
Narcotics	4	10			14	
Procurement	763	275	6	4	1,048	
Prohibition	16	6	5		27	
Public Health	126	139	13	6	284	
Subtreasury	24	3	32		59	
Total field	3,500	1,269	224	229	5,222	1
Grand total	5,178	2,717	270	365	8,530	7

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

INDEX

[NOTE.—The year, except where otherwise indicated, refers to the fiscal year ended June 30]

A

Accounts and Collections Unit. (*See* Internal Revenue Bureau.)
Accounts and Deposits, Office of Commissioner of: Page
- Administrative expenses, expenditures by States 421
- Administrative report 69
- Bookkeeping and Warrants, Division of 113
- Deposits, Division of 109
- Disbursement, Division of:
  - Administrative report 113
  - Expenditures by States 421
- Expenditures 1938 (checks issued) 372
- Surety Bonds, Section of 112

Accounts through which Treasury operations are effected, description of 352
Acts of 75th Congress:
- Public Nos.:
  - 192, July 8, 1937, Government Losses in Shipment Act 302
  - 198, July 9, 1937, amending stamp provisions of the Bottling in Bond Act 269
  - 238, Aug. 2, 1937, Marihuana Tax Act of 1937 275
  - 412, Sept. 1, 1937, section 20, guaranteeing obligations of United States Housing Authority 257
  - 414, Sept. 1, 1937, portions of, imposing excise taxes with respect to sugar 273
  - 415, Sept. 2, 1937, section 3, establishing Federal aid to wildlife-restoration fund 330
  - 424, Feb. 3, 1938, portions of, section 3, relative to guarantee by United States of debentures of the mutual mortgage insurance fund and housing insurance fund 258
  - 432, Feb. 24, 1938, authorizing Secretary of Treasury to cancel obligations of Reconstruction Finance Corporation 331
  - 442, Mar. 8, 1938, maintaining unimpaired the capital of Commodity Credit Corporation and guaranteeing obligations 260
  - 552, May 26, 1938, amending Second Liberty Bond Act, as amended 254
  - 620, June 15, 1938, amending section 3336 of the Revised Statutes pertaining to brewers' bonds 269
  - 635, June 15, 1938, amending provisions of law relative to production of wines, brandy, fruit spirits 270
  - 651, June 16, 1938, amending the National Firearms Act 273
  - 705, June 23, 1938, section 1105 relative to guarantee by United States of debentures of Federal ship mortgage insurance fund 259
  - 721, June 25, 1938, Customs Administrative Act of 1938 332
  - 785, June 30, 1938, regulating commerce in firearms 344
- Public Resolutions Nos.:
  - 98, May 23, 1938, extending for two years the time within which American claimants may make application for payment, under Settlement of War Claims Act of 1928, of awards of Mixed Claims Commission and the Tripartite Claims Commission, etc. 346
  - 114, June 16, 1938, providing for floor stock tax on distilled spirits 272

Adjusted service bonds. (*See* Public debt.)
Adjusted service certificate fund 93, 359, 364, 384, 405, 406, 460
Adjusted service certificates, loans outstanding from Government life insurance fund 98

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page
Administration for Industrial Recovery 46, 382, 405, 419, 462
Administrative and staff officers of the Treasury Department, Nov. 15, 1938 xvi
Admissions tax 2, 426, 428, 457
Advertising:
Expenditures. (*See* Printing, Division of.)
Savings Bonds, Division of 231
Agencies, governmental. (*See* Corporations and agencies, governmental; also titles of certain specific agencies.)
Agricultural adjustment program:
Expenditures:
1934–38 ..... 403, 418
1937 and 1938 (daily statement unrevised) 5
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 381
1938 by States 557
1938 in detail (checks issued) 367
1938 (daily statement unrevised) and estimates for 1939 and 1940 45
Ainsworth library fund, Walter Reed General Hospital 106
Airplanes and passengers entering United States, 1937 and 1938 133
Alaska Railroad retirement and disability fund 95, 358, 361, 366, 385, 405, 460
Alcohol Tax Unit. (*See* Internal Revenue Bureau.)
Alcoholic beverages. (*See* Liquor taxes.)
Alien property trust fund 107
Aliens, nonresident, taxes, discussion 27
Allocations. (*See* Appropriations.)
Appointments, Division of:
Administrative report 114
Expenditures 1938 (checks issued) 372
Appropriations (*see also* Federal aid to States):
Emergency Relief Appropriation Acts, 1935, 1936, and 1937, status 465
Recovery and relief, funds allocated 462
Architect, Supervising, Office of. (*See* Procurement Division, Public Buildings Branch.)
Armenia, obligations owned by United States:
Principal June 30, 1938 527
Status Nov. 15, 1938 548
Assessments, receipts, classified:
1938 in detail (warrants issued) 356
1938 (warrants issued) and estimates for 1939 and 1940 458
Attorneys and agents, Committee on Enrollment and Disbarment of, administrative report 150
Austria (*see also* Foreign government obligations owned by United States):
Incorporated in German Reich 80
Tripartite Claims Commission awards 87
Automobiles entering United States, 1937 and 1938 132
Automobiles, trucks, tires, and inner tubes, taxes 2, 425, 456

B

Back taxes. (*See* Receipts; Taxes, Income.)
Bankruptcy, receivership, and reorganization cases received and disposed of by Bureau of Internal Revenue 175
Banks for cooperatives 71, 528, 530, 537
Bases of tables, explanation of 351
Beer tax 2, 425, 427, 456
Belgium, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Bonds of indebtedness, issues of capital stock, deeds of conveyance, etc., taxes 425, 428, 456
Boulder Canyon project. (*See* Colorado River Dam fund.)
Brazil, gold and dollar exchange, agreement relative to 21, 268
Brewer's wort, etc., tax 425
Budget and Improvement Committee, administrative report 115
Budget estimates. (*See* Expenditures, Estimates; Receipts, Estimates.)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page
Buildings, public. (*See* Procurement Division.)
Butter, adulterated, flour and cheese, taxes ... 426

C

Cameras and lenses tax ... 426
Canal Zone retirement and disability fund ... 94, 358, 361, 366, 384, 405, 406, 460
Capital gains and losses. (*See* Taxes.)
Capital stock sales or transfers tax ... 425, 428
Capital stock tax (*see also* Internal Revenue Bureau; Taxes) ... 2, 36, 165, 425, 427, 456
Carriers Taxing Act (*see also* Internal Revenue Bureau; Taxes):
Taxes:
1936–38 (collections) ... 429
1937 and 1938 (collections) ... 2, 426
1938 (collections) ... 173
1938 (warrants issued) ... 354
1938 by months, and 1937 and 1938 by years (daily statement unrevised) ... 379
1938 (collections) and estimates for 1939 and 1940 ... 36, 457
Claims, refunds, and repayments ... 155
Estimates for 1939 and 1940, discussion ... 40, 43
Central Bank for Cooperatives ... 528
Certificates of indebtedness. (*See* Public debt.)
Checking accounts of governmental agencies, transactions, expenditures:
1932–38 (daily statement unrevised) ... 407
1938 by months, and 1937 and 1938 by years (daily statement unrevised) ... 386
Checks, drafts, or orders for payment of money, taxes ... 428
Checks, United States, regulations and instructions governing issue of duplicates ... 311
Chewing gum tax ... 426
China, monetary cooperation with, statement by Secretary of Treasury and Minister of Finance of China ... 21, 267
Cigar taxes ... 425, 456
Cigarette papers and tubes taxes ... 425, 456
Cigarette taxes ... 425, 456
Circulars, Department, Nos.:
187, Second Revision, March 24, 1938, prescribing time and leave regulations for departmental service ... 315
187, Second Revision, amendments May 11, 1938, relative to annual and sick leave regulations ... 328
202, Second Revision, March 25, 1938, prescribing time and leave regulations for the field forces ... 325
300, second supplement, August 18, 1937, prescribing regulations with respect to United States bonds and notes ... 255
300, third supplement, June 27, 1938, prescribing regulations with respect to United States bonds and notes ... 256
327, Revised, regulations and instructions governing issue of United States duplicates of checks ... 311
368, first amendment, August 18, 1937, prescribing general regulations governing full-paid interim certificates ... 254
576, July 16, 1937, regulations governing shipment of valuables ... 306
577, August 13, 1937, regulations governing claims for replacement of valuables ... 307
577, first supplement, August 20, 1937, regulations governing claims for replacement of valuables ... 311
578, September 7, 1937, Treasury notes, series E–1938 and Series B–1942 ... 241
579, December 6, 1937, Treasury bonds of 1945 ... 243
580, December 6, 1937, Treasury notes, series C–1942 ... 244
581, March 7, 1938, Treasury bonds of 1948 ... 247
583, April 25, 1938, Commodity Credit Corporation notes, series C ... 261
584, June 6, 1938, Treasury bonds of 1958–63 ... 248
585, June 6, 1938, Treasury notes, series A–1943 ... 249
Civil service retirement and disability fund ... 93, 358, 361, 366, 384, 405, 406, 460
Civil Works Administration ... 45, 382, 403, 462

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page
Civilian Conservation Corps 5, 45, 365, 381, 382, 403, 418, 419, 462, 468, 557
Claims for relief on account of lost, stolen, destroyed, or mutilated securities 210
Coal tax (*see also* Internal Revenue Bureau; Taxes) 2, 426, 429, 457
Coast Guard:
Activities reviewed 62
Administrative report 116
Available funds and obligations 126
Aviation 120
Communications system 120
Distinguished flying cross awarded 124
Expenditures 1938 (checks issued) 373
Expenditures by States 421
Floating equipment 121
Flood relief work 116
Law enforcement activities 117
Legislation 124
Lifesaving medals awarded 124
Ordnance activities 122
Personnel and training 123
Protection to marine commerce and life and property 119
Seizures 118
Smuggling 118
Stations, bases, repair depot, etc 122
Whaling Treaty Act enforcement 118
Work relief projects 61, 117, 122, 467
Coconut, etc., oils processed, taxes 2, 426, 429, 457
Coin. (*See* Mint Service; Money.)
Collections. (*See* Receipts.)
Colorado River Dam fund, status June 30, 1938 108
Committees, Treasury Department, personnel, Nov. 15, 1938 xviii
Commodity Credit Corporation:
Allotments on subscriptions for notes of series C among Federal Reserve districts 263
Assets and liabilities of 530
Capital stock owned by United States 528
Capital stock subscribed to by Reconstruction Finance Corporation 403
Capital to be maintained 24, 260
Change in daily Treasury statement with respect to financial transactions 347
Contingent liabilities of United States outstanding June 30, 1938 72
Expenditures:
Recovery and relief, 1938 (checks issued) 365
Revolving fund 463, 464
Loans, cumulative to 1937 and 1938 420
Obligations guaranteed by United States 20, 24, 260
Offering, Apr. 25, 1938, of notes of series C 261
Proprietary interest of United States in, June 30, 1934–38 536
Restoration of capital impairment:
Appropriation and expenditure 462
Expenditures 45, 374, 381, 403, 419
Securities guaranteed by United States, notes outstanding June 30, 1938 520
Tax-exempt securities outstanding, amount, June 30, 1938 544
Comptroller of Currency, Bureau of:
Administrative report 126
Expenditures 1938 (checks issued) 372
Construction of public buildings. (*See* Procurement Division.)
Contingent liabilities of United States:
Description of 521
Outstanding June 30:
1937 and 1938, summary, and increase or decrease 72
1938 by governmental corporations 530
1938 principal and interest, by issues, etc 520
Contributed funds. (*See* Trust accounts.)
Conversion bonds. (*See* Public debt.)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Corporation income tax. (*See* Taxes.)
Corporations and agencies, governmental (*see also* Contingent liabilities of the United States; Interest, exchange, and dividends):
Appropriations and allocations for recovery and relief, and expenditures to June 30, 1938 462
Assets and liabilities, June 30, 1938 530
Capital stock owned by United States, June 30:
1937 and 1938 71
1938 530
Expenditures:
1932–37 combined and 1938, classified as nonrepayable or repayable 419
1932–38 classified (daily statement unrevised) 403
1938 (checks issued) 362
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) 381
1938 (daily statement unrevised) and estimates for 1939 and 1940 45
Loans of:
1937 cumulative, and 1938 420
1938, June 30 530
Proprietary interest of United States in 19, 530, 536
Securities owned by United States:
1938 527
Discussion 18
Subscriptions to capital stock, etc.:
1937 and 1938 5
1938, June 30 530
Tax-exempt securities outstanding, amount, June 30:
1918–38 by types of borrowers 544
1938 543
Counterfeiting 231
Credit agencies. (*See* Corporations and agencies, governmental.)
Credit of United States, funds borrowed on. (*See* Contingent liabilities of United States.)
Cuba, indebtedness to United States, status Nov. 15, 1938 548
Cumulative sinking fund. (*See* Public debt, Operations.)
Currency. (*See* Money.)
Currency, paper, redeemed, deliveries to Destruction Committee, by kinds 211
Customhouse brokers, licenses issued to 150
Customs, Bureau of (*see also* Imports; Receipts):
Administrative report 130
Appraisement activities, 1937 and 1938 134
Appraisement Unit 144
Collections, 1937 and 1938 130
Collections for other departments, bureaus, etc 442
Collections for violations of customs laws, 1937 and 1938, classified 139
Commodities imported under quota provisions 145
Cost of administration 146, 442
Customs Administrative Act 142, 332
Customs Agency Service, summary of activities 142
Division of Laboratories, analysis of samples of merchandise 145
Drawback:
Investigations 143
Paid, by districts (collecting officers) 442
Transactions 133
Enforcement Unit 144
Entries of merchandise:
1937 and 1938 132
1938 by districts 443
Expenditures:
1938 (checks issued) 372
1938 by States 421
Expenses, 1938 by districts (collecting officers) 442
Fines and penalties:
1938 (warrants issued) 355
Discussion 138

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Customs, Bureau of (*see also* Imports; Receipts)—Continued. Page
Foreign investigations 144
Foreign trade zone opened at Mobile, Ala 142
Information Exchange 144
Law enforcement activities 134
Legal proceedings 137
Personnel, by districts 443
Port Examination Commission 144
Ports and stations, changes in 146
Protests and appeals, 1937 and 1938 134
Quota control 145
Receipts, discussion 52, 130
Refunds:
1937 and 1938 130
1938 by districts (collecting officers) 442
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 381
1938 (daily statement unrevised) and estimates for 1939 and 1940 45
School of Instruction 144
Seizures:
1937 and 1938 by principal types 135
Boats, automobiles, airplanes, and horses, 1937 and 1938 137
By Customs officers and other governmental agencies 137
By Customs Service and other governmental agencies, and number of arrests 136
Smuggling 139
Vehicles and persons entering United States, 1937 and 1938 132
Vessels entering United States, by districts 443
Czechoslovakia. (*See* Foreign government obligations owned by United States.)

D

Daily Treasury statement, announcement of change July 1, 1938 69, 347
Deficit (*see also* Surplus or deficit), discussion 7
Departments and establishments, regular governmental. (*See* Expenditures.)
Depositaries, Government, number, amount of deposits, by classes, June 30, 1938 110
Disaster Loan Corporation 23, 46, 71, 383, 420, 528, 536
Distilled spirits tax 425, 456
District of Columbia:
Expenditures 1932–38, United States share (daily statement unrevised) 402
Receipts 1938, United States share (warrants issued) 357
Revenue and nonrevenue (warrants issued) 361
District of Columbia teachers' retirement fund 96, 237
District of Columbia water fund 97
District of Columbia workmen's compensation fund 97, 237
Dividend tax 427
Dues, club and initiation fees, taxes 426, 428, 457

E

Electrical energy tax 2, 425, 456
Electric Home and Farm Authority, Inc 528, 536
Emergency Appropriation Act, allocations, classified, to June 30, 1938 462
Emergency conservation work. (*See* Civilian Conservation Corps.)
Emergency expenditures. (*See* Expenditures, Recovery and relief.)
Emergency organizations. (*See* Corporations and agencies, governmental.)
Emergency Relief Appropriation Acts:
Accounts and disbursements system, discussion 72
1935, 1936, and 1937 acts:
Allocations, classified, to June 30, 1938 462
Allocations, obligations, expenditures, and balances, by organizations, June 30, 1938 465
Appropriation account classified 471
Expenditures by States 557
1937 act, appropriations increased for relief and work relief 24

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Emergency Relief Appropriation Acts—Continued.
1938 act: Page
Appropriations earmarked for various purposes 24
Discussion 24
Status of funds, summary of data contained in reports 73
Treasury activities under 60
Employees, Treasury Department. (*See* Personnel.)
Engineer, Supervising, Office of. (*See* Procurement Division.)
Engraving and Printing, Bureau of:
Administrative report 146
Available funds and expenditures 149
Change in plates for currency 148
Deliveries of finished work, 1937 and 1938 147
Expenditures 1938 (checks issued) 373
Personnel 149
Postage stamp dies engraved 148
Enrollment and Disbarment, Committee on, administrative report 149
Estate tax (*see also* Internal Revenue Bureau; Taxes) 2, 36, 163, 425, 427, 456
Estimates. (*See* Expenditures; Receipts.)
Estonia, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Excess-profits tax 2, 36, 425, 427, 456
Executive orders. (*See* Orders, Executive.)
Expenditures (*see also* Federal aid to States; Surplus or deficit):
1789–1938 classified (warrants issued and daily statement unrevised) 414
1929–38 by principal classes (chart 3) 6
1931–38 by major functions 418
1932–38 classifications of daily Treasury statements beginning July 1, 1938 (daily statement unrevised) 401
1937 and 1938 by major functions 5
1937 and 1938 summary (daily statement revised) 234
1938 in detail, by organizations and accounts (checks issued) 362
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) 379
1938 (daily statement unrevised) and estimates for 1939 and 1940 44
Debt retirements:
1932–38 (daily statement unrevised) 406
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 384
Departmental:
1931–38 418
1932–38 classified (daily statement unrevised) 401
1937 and 1938 5
1938 in detail (checks issued) 362
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) 379
1938 (daily statement unrevised) and estimates for 1939 and 1940 44
Discussion 4
Estimates for 1939 and 1940, in detail 44
Interest on the public debt. (*See* Public Debt.)
Public debt by classes:
1938 (daily statement revised) 396
1938 by months, and 1934–38 by years (daily statement unrevised) 399
Public works:
1929–38 (chart 3) 6
1931–38 classified 418
1937 and 1938 by classes 5
1938 (daily statement unrevised) and estimates for 1939 and 1940 45
Recovery and relief, classified:
1934–38 (daily statement unrevised) 404
1937 cumulative, and 1938 419
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 382
Revolving funds:
1934–38 (daily statement unrevised) 405
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 383

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Expenditures—Continued. Page
Recovery and relief:
1932–37 cumulative, and 1938, classified as nonrepayable and repayable 419
1932–38 classified (daily statement unrevised) 403
1938 in detail, by organizations (checks issued) 362
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) 381
1938 (daily statement unrevised) and estimates for 1939 and 1940, in detail 45
Appropriations, allocations, and expenditures, classified, to June 30, 1938 462
Refunds:
1932–38 (daily statement unrevised) 403
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 381
Refunds and repayments:
1931–38 418
1938 classified (checks issued) 373
1938 (daily statement unrevised) and estimates for 1939 and 1940 45
Refunds, drawbacks, and stamp redemptions, by appropriations 154
Relief:
1933–38 418
1933–38 by agencies (daily statement unrevised) 403
1933–38 (chart 3) 6
1937 and 1938 5
1938 by months, and 1937 and 1938 by years, by agencies (daily statement unrevised) 382
1938 (daily statement unrevised) and estimates for 1939 45
Appropriations and allocations to June 30, 1938 462
Transfers to trust accounts, etc.:
1932–38 (daily statement unrevised) 405
1938 (checks issued) 366
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) 383
Treasury Department activities, by States 421
Trust accounts. (*See* Trust accounts.)
Unemployment trust fund. (*See* Unemployment trust fund.)
Export-Import Banks of Washington 46, 347, 366, 383, 420, 463, 464, 528, 530, 536
Exports:
1938 by districts, value of 442
Merchandise total, 1932–38 53

F

Farm Credit Administration:
Assessment on Federal and joint stock land banks and Federal intermediate credit banks, 1938 (warrants issued) 356
Crop loans, status of allocation for 469
Expenditures 45, 46, 365, 381, 383, 403, 405, 420, 463, 464
Interest on emergency crop loans, 1938 (warrants issued) 354
Notes received by 71, 528
Proprietary interest of United States in, June 30, 1933–38 536
Farm Security Administration 46, 71, 358, 367, 383, 404, 419, 420, 457, 462, 465, 528, 536, 557
Farm Tenant Act 381
Federal aid to States:
Allotments to States for public health assistance under Social Security Act, 1938 216
Appropriations 1939, classified 549
Expenditures:
1920 (warrants issued), 1937 and 1938 (checks issued), by appropriations 549
1938 by States, classified 553
Wildlife-restoration fund established 330

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Federal Alcohol Administration:
Administrative report 150
Enforcement Division 152
Expenditures 1938 (checks issued) 373
Label activities 152
Label Examination Division 151
Legal Division 153
Permit activities 151
Statistics and Reports Division 152
Federal buildings. (*See* Procurement Division.)
Federal credit unions eligible as fiscal agents with respect to United States savings bonds 110
Federal Crop Insurance Corporation 23
Federal Deposit Insurance Corporation 362, 420, 462, 528, 537, 531
Federal Emergency Administration of Public Works:
Allocations, expenditures, and balances 469
Assets and liabilities 530
Continuation and appropriation 25
Expenditures:
1937 cumulative, and 1938 419, 420
1938 (checks issued) 365
1938 by States 557
1938 (daily statement unrevised) and estimates for 1939 45
Obligations acquired by, owned by United States 71, 528
Proprietary interest of United States in, June 30, 1934–38 536
Federal Emergency Relief Administration:
Allocations for grants to States, etc., expenditures, and balances 469
Appropriations, allocations, and expenditures to June 30, 1938 462
Expenditures:
1933–38 (daily statement unrevised) 403
1937 cumulative, and 1938 419
1938 (checks issued) 365
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 382
Federal Farm Loan System, amount of tax-exempt securities outstanding June 30, 1918–38 544
Federal Farm Mortgage Corporation 45, 72, 354, 374, 381, 419, 420, 462, 520, 528, 530, 537
Federal home loan banks:
Assessments on, 1938 (warrants issued) 356
Assets and liabilities 530
Capital stock:
Expenditures for 46, 420
Owned by United States 71, 528
Subscribed by Secretary of Treasury and dividends received, by banks 75
Discussion 74
Dividends on capital stock of:
1938 (warrants issued) 354
1938 (warrants issued) and estimates for 1939 and 1940 457
Proprietary interest of United States in, June 30, 1933–38 537
Federal Home Loan System, amount of tax-exempt securities outstanding June 30, 1934–38 544
Federal Housing Administration:
Assets and liabilities 530
Contingent liabilities of United States outstanding June 30, 1937 and 1938 72
Debentures guaranteed by United States outstanding June 30, 1938 520
Expenditures 46, 365, 383, 404, 419, 462
Proprietary interest of United States in, June 30, 1935–38 536
Federal intermediate credit banks 383, 457, 528, 530, 537
Federal land banks (*see also* Corporations and agencies, governmental):
Assets and liabilities 530
Capital stock subscribed to 45, 71, 76, 374, 381, 403, 420, 462, 528
Discussion 75
Expenditures, recovery and relief 462

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Federal land banks—Continued. Page
Payments to, for reductions in interest rate on mortgages 374
Proprietary interest of United States in, June 30, 1929–38 537
Reduction in interest rates on mortgages 45, 76, 381, 403, 419, 462
Paid-in surplus subscribed to 45, 77, 374, 381, 403, 462, 528
Federal National Mortgage Association 71, 528, 536
Federal Prison Industries, Inc 536
Federal Reserve bank notes:
Held by Treasury offices and Federal Reserve banks, June 30, 1938 235
In circulation June 30, 1916–38 541
Redeemed and outstanding 235
Stock June 30, 1916–38 540
Stock, held in Treasury, held by Federal Reserve banks, and in circulation, June 30, 1938 542
Federal Reserve bank notes and national bank notes, expenditures 1938 by months, and 1934–38 by years (daily statement unrevised) 399
Federal Reserve banks:
Advances to, for industrial loans, and payments received by Treasury 78
Earnings from payments for industrial loans, 1938 (warrants issued) 354
Holdings of United States obligations, amount, June 30, 1915–38 546
Money held June 30, 1915–38 538
Payments to 376
Federal Reserve notes:
Canceled, forwarded by Federal Reserve banks and branches 236
Contingent liability of United States June 30, 1938 520
Held by Treasury offices and Federal Reserve banks June 30, 1938 235
In circulation June 30, 1915–38 541
Issued, redeemed, and outstanding 235
Outstanding June 30, 1937 and 1938 72
Received and issued by Division of Paper Custody 215
Stock June 30, 1915–38 540
Stock, held in Treasury, held by Federal Reserve banks, and in circulation, June 30, 1938 542
Federal savings and loan associations:
Appropriations and expenditures 462
Assets and liabilities 531
Capital stock and income shares 71, 74, 404, 420, 528
Discussion 73
Dividends on shares of:
1938 (warrants issued) 354
1938 (warrants issued) and estimates for 1939 and 1940 457
Eligible as fiscal agents with respect to United States savings bonds and for collection of delinquent accounts 110
Proprietary interest of United States in, June 30, 1934–38 537
Federal Savings and Loan Insurance Corporation 528, 531, 537
Federal ship mortgage insurance fund, obligations guaranteed 20, 259
Federal Subsistence Homesteads Corporation. (*See* Subsistence homesteads.)
Fees, receipts, classified:
1938 in detail (warrants issued) 355
1938 (warrants issued) and estimates for 1939 and 1940 458
Fermented malt liquor tax. (*See* Beer.)
Fines and penalties, receipts:
1938 in detail (warrants issued) 355
1938 (warrants issued) and estimates for 1939 and 1940, in detail 458
Finland, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Firearms:
Act amended 273
Act to regulate commerce in 344
Firearms, shells, and cartridges, tax 426, 456
Floor tax, liquors 425, 456
Foreign government obligations owned by United States:
Amounts due and actually paid, by countries:
July 1 to Dec. 31, 1937 79
Jan. 1 to June 30, 1938 79
Amounts due and not paid as of Nov. 15, 1938, by countries 80

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Foreign government obligations owned by United States—Continued. Page
Austria:
Germany to discharge indebtedness of 80
Indebtedness, notes to Germany relative to 292
Discussion 78
Germany, notes to, relative to indebtedness of Austria 292
Hungary:
Announcement concerning Hungarian proposal to make payments on account of indebtedness 294
Message of President relative to Hungarian proposal to repay relief loan 297
Proposal to make payments on its indebtedness, discussion 80
Interest on bonds of, 1938 (warrants issued) and estimates for 1939 and 1940 457
Interest received 1938 (warrants issued) 354
Intergovernmental correspondence and statements 285
Payments, by countries, principal and interest, to Nov. 15, 1938 548
Principal, funded and unfunded indebtedness, June 30, 1938, by countries 527
Public debt retirements from payments on 376, 494, 514
Receipts from:
1929–38 (chart 2) 1
1933–38 (daily statement unrevised) 401
1937 and 1938 (daily statement unrevised) 3
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
1938 (warrants issued) and estimates for 1939 and 1940 459
Total, June 30, 1937 and 1938 71
Foreign service retirement and disability fund 95, 358, 361, 366, 384, 405, 406, 460
Forfeitures, receipts:
1938 in detail (warrants issued) 355
1938 (warrants issued) and estimates for 1939 and 1940 458
Forgery. (*See* Secret Service Division.)
Fractional currency 474, 485, 509
France, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Fur articles, tax 425

G

Gasoline tax 2, 425, 456
General Fund:
Analysis of change in balance between June 30, 1937 and 1938 (daily statement unrevised) 17
Assets and liabilities, June 30:
1937 and 1938 (daily statement revised) 524
1937 and 1938 (daily statement unrevised) 18
Balance:
1915–38, June 30 (daily statement unrevised) 514
1916–37, June 30, and 1938 by months (daily statement revised) 493
1937 and 1938, June 30 (daily statement unrevised) 18
1938 by months (daily statement unrevised) 526
Discussion 16
Transfers to trust accounts, 1938 (warrants issued) 361
Working balance:
1937 and 1938, June 30 (daily statement unrevised) 18
1938 by months (daily statement unrevised) 526
Germany (*see also* Foreign government obligations owned by United States; Mixed Claims Commission):
Annuities under moratorium agreement, amounts due and not paid 82
Army of Occupation, amounts due and not paid 82
Austrian indebtedness to be discharged by 80
Awards of War Claims Arbiter, amounts paid, and balance due, Sept. 30, 1938 86
Bonds owned by United States, June 30, 1938 527
Indebtedness of Austria to United States, status Nov. 15, 1938 548

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Germany—Continued.
Indebtedness to United States, payments received, and amounts not paid, June 30, 1938 — Page 82
Mixed claims, amounts due and not paid — 82
Special deposit account, statement, Sept. 30, 1938 — 87
Gift tax (*see also* Internal Revenue Bureau, Estate Tax Division; Taxes) — 2, 36, 163, 425, 427, 456
Gifts and contributions:
1938 classified (warrants issued) — 356
1938 (warrants issued) and estimates for 1939 and 1940 — 458
Gold:
Acquired by mints and assay offices — 184
Acquisitions by Treasury Department, announcement by Secretary of Treasury, Feb. 14, 1938 — 263
Assets and liabilities of Treasury, June 30:
1937 and 1938 (daily statement revised) — 524
1937 and 1938 (daily statement unrevised) — 17
Brazil, arrangement for sale to — 21, 268
Bullion, in the Treasury, stock of, including gold coin, June 30, 1913–38 — 185, 540
Certificate fund, Board of Governors, Federal Reserve System, held in Treasury, June 30:
1937 and 1938 (daily statement revised) — 524
1937 and 1938 (daily statement unrevised) — 17
Certificates:
Held by Treasury offices and Federal Reserve banks, June 30, 1938 — 235
In circulation, June 30, 1913–38 — 541
Redeemed and outstanding — 235
Stock, held in Treasury, held by Federal Reserve banks, and in circulation, June 30, 1938 — 542
China, purchases of, arrangements for — 21, 267
Coin in circulation, June 30, 1913–33 — 541
Consumption, industrial, 1937 calendar year — 186
Electrolytically refined by Mint Service — 185
Inactive account:
1938 by months (daily statement unrevised) — 526
Discontinuance of, announcement by Secretary of Treasury, April 19, 1938 — 22, 264
Gold released Sept. 1937 — 21
Increment from reduction in weight of gold dollar:
Expenditures chargeable to:
1934–38 (daily statement unrevised) — 408
1938 in detail (checks issued) — 376
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) — 386
1938 (daily statement unrevised) and estimates for 1939 — 48
In General Fund balance:
1937 and 1938, June 30 (daily statement unrevised) — 18
1938 by months (daily statement unrevised) — 526
Receipts:
1934–38 (daily statement unrevised) — 407
1938 (daily statement unrevised) — 47
1938 (warrants issued) — 361, 460
1938 by months, and 1937 and 1938 by years (daily statement unrevised) — 385
Operations of Mint Service — 184
Percentage of gold to total stock of money, June 30, 1913–38 — 540
Peso-dollar exchange, announcement relative to, by Secretary of Treasury and Minister of Finance of Mexico — 22, 268
Production, domestic, 1937 calendar year — 185
Receipts 1938 (daily statement revised) — 234
Reserve in Treasury against United States notes and Treasury notes of 1890, June 30:
1937 and 1938 (daily statement revised) — 524
1937 and 1938 (daily statement unrevised) — 17
Stabilization fund — 17

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Gold—Continued.
Treasury holdings: Page
1938, June 30 542
Increase in, by sources, 1938 234
Government Actuary 230
Government life insurance fund:
Expenditures and receipts 364, 384, 406
Investments, June 30, 1938 98
Loans to veterans outstanding June 30, 1938 98
Receipts:
1938 (warrants issued) 358
1938 (warrants issued) and estimates for 1939 and 1940 460
Government Losses in Shipment Act:
Act, July 8, 1937 302
Claims presented and settled 112
Discussion 111
First supplement, August 20, 1937, regulations governing claims for replacement of valuables 311
Premium savings on shipments (estimated), August 15, 1937, to June 30, 1938 112
Regulations, July 16, 1937, governing shipment of valuables 306
Regulations, August 13, 1937, governing claims for replacement of valuables 307
Revolving fund established 111
Government property, receipts from sales, classified:
1938 (warrants issued) 356, 358
1938 (warrants issued) and estimates for 1939 and 1940 458, 459
Grants, aids, and expenses, by governmental corporations and agencies, 1932–37 combined, and 1938 419
Great Britain, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Greece, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Gross debt of United States. (*See* Public debt.)
Guaranteed obligations of United States. (*See* Contingent liabilities.)

H

Highway expenditures:
General 5, 44, 45, 367, 380, 402, 418, 557
Relief 367, 382, 404, 419, 462
Home loan banks. (*See* Federal home loan banks.)
Home owners, expenditures for aid to, by agencies:
1933–38 (daily statement unrevised) 404
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 383
1938 (daily statement unrevised) and estimates for 1939 and 1940 46
Appropriations and allocations to June 30, 1938 462
Home Owners' Loan Corporation:
Assets and liabilities 531
Bonds guaranteed by United States outstanding June 30, 1938 520
Contingent liabilities of United States outstanding June 30, 1937 and 1938 72
Expenditures 404, 462
Interest earned on bonds, 1938 (warrants issued) 354
Proprietary interest of United States in, June 30, 1933–38 537
Securities owned by United States 71, 528
Subscriptions to capital stock 1932–37 combined 420
Hospitals, marine. (*See* Public Health Service.)
Housing insurance fund; obligations guaranteed 20, 258
Hungary (*see also* Foreign government obligations owned by United States):
Awards of War Claims Arbiter, review of 86
Tripartite Claims Commission awards 87

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

I

Imports: Page
1928–37 by calendar years, and Jan. 1937–June 1938 by months, value, estimated duties, and ratio of duties to value:
By tariff schedules 438
Totals 437
1937 and 1938, computed values of dutiable imports and computed duties collected, by tariff schedules 436
1938 by districts, value of 442
Merchandise, total general, 1932–38 53
Income tax. (*See* Internal Revenue Bureau; Receipts; Taxes.)
Income Tax Unit. (*See* Internal Revenue Bureau.)
Indebtedness of foreign governments to the United States. (*See* Foreign government obligations owned by United States.)
Independent offices, boards, commissions, and corporations. (*See* Expenditures; and also titles of certain specific offices.)
Indian moneys, receipts 1938 (warrants issued) 359
Indians, expenditures 1789–1938 (warrants issued and checks issued) 414
Inland Waterways Corporation 527, 536
Interest, exchange, and dividends, receipts classified:
1938 (warrants issued) 354
1938 (warrants issued) and estimates for 1939 and 1940 457
Interest on public debt. (*See* Public debt.)
Interest-bearing debt of United States. (*See* Public debt.)
Interim certificates. (*See* Public debt, Regulations.)
Internal Revenue, Bureau of (*see also* Receipts; Taxes):
Accounts and Collections Unit:
Carriers Taxing Act taxes:
Claims received and adjusted 173
Returns received and closed 173
Returns filed in collectors' offices 169
Social Security Act taxes:
Forms discussed 170
Title VIII claims adjusted 171
Title VIII information returns closed and pending 171
Title IX claims adjusted 172
Title IX returns closed and pending 172
Stamps issued and returned 170
Tax returns investigated 169
Administrative report 154
Alcohol Tax Unit:
Alcohol Tax Section of Office of General Counsel 169
Audit Division 168
Collections 1937 and 1938 154
Discussion 167
Enforcement Division 168
Field Inspection Division 168
Laboratory Division 168
Procedure Division 169
Producers and distributors of alcoholic beverages under supervision of 167
Raw materials control enforcement 50
Assessments, additional, 1937 and 1938 156
Bituminous Coal and Silver Tax Division 164
Capital Stock Tax Division, claims received and disposed of, 1937 and 1938 166
Changes in procedure on income tax returns 49
Chief Counsel, Office of:
Cases closed before Board of Tax Appeals 176
Cases pending and tax liability involved 178
Chief Counsel's committee 175
Civil cases received and disposed of 176
Compromise cases received and disposed of 178
Criminal cases received and disposed of, 1937 and 1938 178
Legislation and Regulations Division 179
Overassessments of taxes, cases disposed of by Review Division 179

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Internal Revenue, Bureau of—Continued.
Chief Counsel, Office of—Continued. Page
Reorganization Section 175
Tax cases tried and decided by Department of Justice and Federal courts 177
Closing agreement, limitation of power of Commissioner to enter into, removed 31
Collections by Internal Revenue Bureau units, summary 1937 and 1938 154
Cost of administration 156
Discussion of work 49
Estate Tax Division:
Claims, refund and abatement, received and disposed of 163
Returns investigated and audited, 1937 and 1938 163
Expenditures 1938 (checks issued) 372
Expenditures 1938 by States 421
Expenses, classified, by districts and appropriations, 1938 (checks issued) 431
Income Tax Unit:
Assessments, jeopardy, 1937 and 1938 159
Audit in Washington 160
Claims adjusted and overassessments determined, 1937 and 1938 159
Collections 1937 and 1938 154
Deficiency notices issued 1938 159
Discussion 156
Field audit activities 160
New division to administer claims for refund of processing taxes and unjust enrichment tax returns 161
Organization and procedure changes 161
Returns, by tax years, considered 160
Returns, income over $5,000, received and disposed of, 1937 and 1938 157
Revenue, additional, made available for collection, 1937 and 1938 158
Intelligence Unit, investigations of tax evasions 180
Miscellaneous Tax Unit:
Collections 1937 and 1938 154
Discussion 162
Processing Tax Division:
Claims received and disposed of 167
Sugar Act provisions administered by 167
Refunds and repayments (*see also* Expenditures):
1932–38 (daily statement unrevised) 403
1938 by class of tax 155
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 381
1938 (daily statement unrevised) and estimates for 1939 and 1940 45
Claims approved for payment for refunding appropriations 436
Sales Tax Division:
Claims received and disposed of, 1937 and 1938 165
Discussion 164
Offers in compromise received and disposed of, 1937 and 1938 165
Social Security Tax Division, collections 1937 and 1938 154
Statute of limitation provision in certain income tax cases modified 32
Technical Staff:
Decentralization of appellate procedure for income, excess-profits, and estate tax cases 175
Decentralization program 51
Discussion 173
Tobacco Division 164
Trust accounts, collections for credit to 426
Work relief projects:
Discussion 180
Miscellaneous taxes (Accounts and Collections Unit) 180
Retail liquor stores (Alcohol Tax Unit) 181
Tax survey 61
Italy, obligations owned by United States. (*See* Foreign government obligations owned by United States.)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

J

Page
Joint stock land banks 71, 383, 405, 528, 532

L

Latvia, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Laws relating to Treasury Department, violations of 231
Leased wires tax 426
Legal Division, administrative report 181
Legislation, emergency, 1938, review of 22
Liberia, indebtedness to United States, status Nov. 15, 1938 548
Liberty bonds. (*See* Public debt.)
Library of Congress trust fund:
  Earnings, by donations 103
  Gifts accepted 102
  Investments, by donations and securities, June 30, 1938 104
  Permanent loan account, status, June 30, 1938 103
Liquor (*see also* Internal Revenue Bureau; Taxes):
  Bottling in Bond Act, stamp provisions amended 269
  Brewers' bonds, section 3336 of Revised Statutes amended 269
  Distilled spirits, floor stock tax on 272
  Taxes 2, 36, 425, 427, 456
  Wines, brandy, fruit spirits, provisions of law amended 270
Lithuania, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Loans by governmental corporations and agencies (*see also* Expenditures, Recovery and relief), 1937 cumulative, and 1938 420
Longshoremen's and harbor workers' compensation fund 96, 237

M

Manufacturers' excise taxes (*see also* Taxes) 2, 36, 425, 428, 456
Marihuana. (*See* Narcotics Bureau.)
Matches tax 425
Matured debt of United States. (*See* Public debt.)
Mexico:
  Claims of American nationals against 89
  Peso-dollar exchange and silver, announcement relative to 22, 268
  Silver purchase arrangement continuation deferred 268
  Special Mexican Claims Commission awards 90
Minor coin:
  In circulation June 30, 1913–38 541
  Stock June 30, 1913–38 540
  Stock, held in Treasury, held by Federal Reserve banks, and in circulation, June 30, 1938 542
Mint Service:
  Administrative report 183
  Available funds and expenses 186
  Bullion deposit transactions 184
  Coinage 183
  Commemorative coins 185
  Deposits of gold and silver, income, expenses, and number of employees, by institutions 187
  Depository, silver bullion 186
  Expenditures, Bureau of the Mint, 1938 (checks issued) 373
  Expenditures by States 421
  Gold operations 184
  Industrial consumption of gold and silver, 1937 calendar year 186
  Production of gold and silver, 1937 calendar year 185
  Receipts, profits on coinage, seigniorage, etc.:
    1938 (warrants issued) 357
    1938 (warrants issued) and estimates for 1939 and 1940 459
  Refinery operations 185
  Silver operations 184
  Stock of coin and monetary bullion in the United States, June 30, 1938 185

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Miscellaneous internal revenue. (*See* Internal Revenue Bureau; Receipts; Taxes.)
Miscellaneous receipts. (*See* Receipts.)
Miscellaneous Tax Unit. (*See* Internal Revenue Bureau.)
Mixed Claims Commission (United States and Germany), awards, amount paid, balance due, classified, Sept. 30, 1937 ... 84
Monetary developments (*see also* Gold; National bank notes; Silver), discussion ... 21
Monetary Research, Division of:
  Administrative report ... 187
  Establishment ... 329
Money (*see also* General Fund; Gold; Mint Service; Silver):
  1913–38, June 30, in circulation, by kinds ... 541
  1913–38, June 30, stock, by kinds ... 540
  1913–38, June 30, stock, held in Treasury, held by Federal Reserve banks, and in circulation ... 538
  1938, June 30, stock, held in Treasury, held by Federal Reserve banks, and in circulation, by kinds ... 542
  Coin shipments between Treasury, mints, and Federal Reserve banks, by kinds ... 235
  Commemorative coins ... 185
  Paper currency:
    Held by Treasury offices and Federal Reserve banks, June 30, 1938, by classes (daily statement revised) ... 235
    Issued, redeemed, and outstanding, by classes, 1938 (daily statement revised) ... 235
    Shipments from Treasury ... 235
Municipalities and States. (*See* States and municipalities.)
Mutual mortgage insurance fund, obligations guaranteed ... 20, 258

N

Narcotics, Bureau of:
  Act to increase punishment of offenders against narcotic laws ... 188
  Activities reviewed ... 65
  Administrative report ... 187
  Drug exports ... 191
  Drugs sold by manufacturers to domestic purchasers ... 191
  Enforcement activities ... 187
  Expenditures 1938 (checks issued) ... 373
  Expenditures by States ... 421
  Harrison narcotic law, registrants, June 30, 1938 ... 190
  Marihuana Tax Act of 1937:
    Act ... 275
    Discussion ... 188
    Registrants, June 30, 1938 ... 190
    Taxes ... 426
    Violations of and cases disposed of ... 190
  Opium and coca leaves imported ... 191
  Violations of narcotic laws and cases disposed of ... 189
Narcotics, studies relative to drug addiction by Public Health Service ... 226
Narcotics tax ... 426, 429
National bank notes:
  Deposits for retirement 1934–38 ... 397
  Expenditures for retirement chargeable against gold increment:
    1935–38 (daily statement unrevised) ... 408
    1938 (checks issued) ... 376
    1938 by months, and 1937 and 1938 by years (daily statement revised) ... 386
    1938 (daily Treasury statement unrevised) and estimates for 1939 and 1940 ... 47
  Held by Treasury offices and Federal Reserve banks, June 30, 1938 ... 235
  In circulation June 30, 1913–38 ... 541
  Issued, redeemed, and outstanding ... 235
  Securities held by Treasurer to secure circulation, June 30, 1937 ... 237
  Stock June 30, 1913–38 ... 540
  Stock, held in Treasury, held by Federal Reserve banks, and in circulation, June 30, 1938 ... 542

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page
National bank notes and Federal Reserve bank notes, expenditures 1938 by months, and 1934–38 by years (daily statement unrevised) 399
National banks (*see also* National bank notes):
Assets and liabilities on date of each report, June 30, 1937, to June 30, 1938 127
Condition, changes in 126
Membership and capital stock changes 129
Unlicensed, administration of 129
National defense expenditures:
1931–38 418
General:
1932–38 (daily statement unrevised) 402
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 381
1938 (daily statement unrevised) and estimates for 1939 and 1940 44, 46
Navy Department, in detail, 1938 (checks issued) 371
Recovery and relief:
1934–38 (daily statement unrevised) 404
1937 cumulative, and 1938 419
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 382
War Department, in detail, 1938 (checks issued) 374
National Firearms Act tax 426
National Industrial Recovery Act, allocated funds, June 30, 1938 462
National Industrial Recovery Administration 365
National Institute of Health gift fund 105
National park trust fund (*see also* Trust accounts) 105
Nicaragua:
Announcement concerning treaty with United States for adjustment of certain accounts and refund of income taxes 300, 301
Obligations owned by United States:
Principal June 30, 1938 527
Status Nov. 15, 1938 548
Treaty with United States for adjustment of certain accounts and refund of income taxes 81, 301
Noninterest-bearing debt of United States. (*See* Public debt.)
Nonrevenue receipts. (*See* Receipts, Miscellaneous.)

O

Obligations of foreign governments. (*See* Foreign government obligations owned by United States.)
Oil transported by pipe line tax 2, 426, 428, 457
Oils, lubricating, tax 2, 425, 456
Old-age reserve account (*see also* Taxes; Trust accounts):
Actuarial status 56
Appropriations and expenditures to June 30, 1938 454
Classifications of lives assumed to be regularly or intermittently employed, by age and sex 56
Discussion 55
Expenditures:
1938 (checks issued) 376
1938, June 30, total to 454
1938 by months, and 1937 and 1938 by years, investments and benefit payments (daily statement unrevised) 386
1938 (daily statement unrevised) and estimates for 1939 and 1940 48
Benefit payments 99
Investments, June 30, 1938 99
Receipts:
1938, interest on investments (warrants issued) 361
1938 by months, and 1937 and 1938 by years, transfers and interest (daily statement unrevised) 385
1938 (daily statement unrevised) and estimates for 1939 and 1940 47
1938 (warrants issued) and estimates for 1939 and 1940 460
Statement of June 30, 1936 and 1937, and monthly 1938 450
Status June 30, 1938 99

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Old-age reserve account—Continued.
Transfers to: Page
1938 (warrants issued) 361
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 383
Old-age reserve appropriated account, transfer to, 1938 374
Oleomargarine tax 426, 429, 457
Orders:
Executive:
Apr. 28, 1938, relating to silver 266
May 11, 1938, amending section 6 of Executive order of Mar. 21, 1938, prescribing annual leave regulations 329
May 11, 1938, amending section 9 of Executive order of Mar. 21, 1938, prescribing sick leave regulations 329
Treasury:
Mar. 25, 1938, establishing Division of Monetary Research and Division of Tax Research 329
Apr. 5, 1938, authorizing additional officers of Treasury Department to witness and certify requests for payment of United States savings bonds and adjusted service bonds 257
Apr. 6, 1938, revoking authority in order of June 10, 1936, for certain officers of Treasury Department to witness and certify requests for payment of adjusted service bonds 257

P

Panama Canal loan bonds. (*See* Public debt.)
Panama Canal, receipts and expenditures:
1903–38 (warrants issued) 455
1932–38 (daily statement unrevised) 401
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
Panama Railroad Co., capital stock owned by United States:
Amount 527, 530, 536
Dividends received, 1938 (warrants issued) 457
Paper Currency. (*See* Money.)
Passengers and pedestrians entering United States, 1937 and 1938 132
Payroll taxes (*see also* Carriers Taxing Act; Social Security Act) 1936–38 (chart 2) 1
Payments to States. (*See* Federal aid to States.)
Penalties and fines. (*See* Fines and penalties.)
Pensions, expenditures 1789–1938 (warrants issued and checks issued) 414
Permits, privileges, and licenses, receipts classified:
1938 (warrants issued) 357
1938 (warrants issued) and estimates for 1939 and 1940 459
Pershing Hall Memorial fund 107
Personal holding company income tax, discussion 26
Personnel, Treasury Department:
Administrative and staff officers, Nov. 15, 1938 XVI
Committees, departmental, Nov. 15, 1938 XVIII
Number, by bureau, office, or division:
1937 and 1938, June 30, departmental and field services 561
1938 by months, departmental service 560
Retained but eligible for retirement, June 30, 1938 562
Number, departmental and field services 114
Retirements:
1938 115
Number, by bureau, office, or division, Aug. 20, 1920, to June 30, 1938 562
Petroleum, processed, tax 426, 429
Pistols and revolvers tax 426
Playing cards tax 425, 428, 456
Poland, obligations owned by United States. (*See* Foreign government obligations owned by United States.)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

	Page
Postal Savings System:	
Deposits, payment with interest pledged by United States	521
Funds due depositors:	
1937 and 1938, June 30	72
1938, June 30	520
Securities held by Treasurer to secure funds, June 30, 1937 and 1938	237
Treasury notes issued. (*See* Public debt, Special issues.)	
Postal Service:	
Deficiencies, expenditures:	
1841–1938 (warrants issued and daily statement unrevised)	415
1932–38 (daily statement unrevised)	402
1938 (checks issued and daily statement unrevised)	372
1938 by months, and 1937 and 1938 by years (daily statement unrevised)	380
1938 (daily statement unrevised) and estimates for 1939 and 1940	44
Factors contributing to deficit	348
Expenditures:	
1789–1938 (warrants issued and daily statement unrevised)	414
1938 (checks issued)	372
Revenues 1789–1938 (warrants issued and daily statement unrevised)	410
President:	
Message on Hungarian proposal to repay relief loan	297
Proclamations:	
Dec. 30, 1937, relating to newly mined domestic silver	264
Apr. 28, 1938, relating to silver	265
Printing and binding expenditures. (*See* Printing, Division of.)	
Printing, Division of:	
Administrative report	191
Advertising expenditures	193
Engraving work approved	193
Expenditures 1938 (checks issued)	372
Printing and binding:	
Available funds, expenditures, and balances, 1937 and 1938	191
Expenditures 1937 and 1938, by bureaus, offices, etc	192
Stationery supplies, available funds, expenditures, and balance, 1937 and 1938	193
Processing Tax Board of Review, administrative report	193
Processing taxes:	
Receipts:	
1934–38 (chart 2)	1
1934–37 (daily statement unrevised)	401
1938 (warrants issued)	354
Refunds:	
1934–38 (daily statement unrevised)	403
1938 (checks issued)	368
1938 by months, and 1937 and 1938 by years (daily statement unrevised)	381
1938 (daily statement unrevised) and estimates for 1939 and 1940	45
Procurement Division:	
Administrative report	194
Expenditures 1938 (checks issued)	373
Public Buildings Branch:	
Administrative report	194
Architect, Supervising, Office of	194
Building operations	53
Buildings under control of Treasury Department, administration, cost, and number	198
Combined building program, status	195
Construction and sites expenditures, total to 1937 and 1938	419
District of Columbia building projects	54, 196, 198
Emergency construction program, status under various acts	196
Engineer, Supervising, Office of	195

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Procurement Division—Continued.
Public Buildings Branch—Continued.
Expenditures: Page
By States 422
Contract liabilities, and unencumbered balances 199
Cumulative by types, on each class of building constructed by the Treasury Department 199
Public buildings 1938 (daily statement unrevised) and estimates for 1939 and 1940 44, 46
Public building construction, sites, etc., 1938 (checks issued and daily statement unrevised) 374
Public building repairs, equipment, and operation, 1938 (checks issued) 373
Painting and Sculpture, Section of 201
Program for other departments 54, 197
Program under emergency appropriation acts, status 53
Program under Public Works Administration, status 53, 196
Repair and equipment, expenditures 198
Section of Space Control:
Inventory of Federal Real Estate and Improvements continued 200
Space assignment 200
Surplus properties sold 200
United States Housing Corporation, liquidation of assets 200
Treasury relief art project 202
Supply, Branch of:
Administrative report 202
Clothing to be purchased for Works Progress Administration 202
Expenditures 1938 (checks issued) 373
Expenditures by States 422
Surplus property, disposition 204
Textiles purchased for Works Progress Administration 202
Traffic night school inaugurated 203
Work relief supply fund reimbursements to general supply fund 205
Work relief projects 61, 467
Produce for future delivery, sales of, repealed tax 425, 428, 456
Production credit corporations 328, 530, 536
Proprietary interest of United States in governmental corporations and credit agencies (*see also* Securities, Owned by United States):
1929–37, June 30 536
Discussion 19
Public Buildings Branch, Procurement Division. (*See* Procurement Division.)
Public buildings, expenditures:
General:
1931–38 418
1934–38 (daily statement unrevised) 402
1937 and 1938 (daily statement unrevised) 5
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 380
Recovery and relief:
1934–38 (daily statement unrevised) 404
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 382
Public buildings, grounds, etc., rent receipts 1938 (warrants issued) 357
Public debt (*see also* Circulars, Department; Contingent liabilities of United States; Expenditures; Public Debt Service; Securities, Owned by United States; United States notes):
Adjusted service bonds:
Authorizing additional officers of Treasury Department to witness and certify requests for payment of 257
Discussion 15
Interest paid on, 1937 and 1938 (warrants issued) 518
Receipts, 1938 by months, and 1936–38 by years (daily statement unrevised) 397
Revoking authority for certain officers of Treasury Department to witness and certify requests for payment of 257

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Public debt—Continued.
Certificates of indebtedness: Page
Adjusted service certificate fund series ... 15, 473, 481
Unemployment trust fund series ... 15, 473, 481
Composition of interest-bearing debt by classes:
1916–37, June 30, and 1938 by months (daily statement revised) ... 493
1931–38, amounts and percentages, by months (chart 4) ... 9
Conversion bonds ... 472, 476, 491
Description of issues outstanding June 30, 1938 ... 476
Discussion ... 7
Federal Reserve bank holdings, June 30, 1915–38 ... 546
Interest:
Computed annual interest charge and computed rate of interest 1916–38 by years, and 1938 by months (daily statement revised) ... 519
Computed annual interest charge and interest-bearing debt outstanding, 1921–38 (chart 6) ... 13
Expenditures:
1789–1938 (warrants issued and daily statement unrevised) ... 414
1931–38 (daily statement unrevised) ... 418
1932–38 (daily statement unrevised) ... 403
1936–38 by issues (warrants issued) ... 518
1937 and 1938 (daily statement unrevised) ... 5
1938 (checks issued and daily statement unrevised) ... 376
1938 classified (daily statement revised) ... 234
1938 by months, and 1937 and 1938 by years (daily statement unrevised) ... 381
1938 (daily statement unrevised) and estimates for 1939 and 1940 ... 45
Payable, paid, and outstanding unpaid, 1938, by classes of issues (daily statement revised) ... 517
Liberty bonds ... 399, 474, 482, 491, 505, 517, 518
Net debt including matured interest obligations, June 30, 1916–37, and 1938 by months (daily statement revised) ... 493
Old demand notes ... 485, 509
Operations:
Interest-bearing (daily statement revised):
By classes ... 499
By issues ... 500
Issued, cumulated retirements, outstanding, by issues, June 30, 1938 (daily statement revised) ... 472
Issues, 1938 by months, and 1934–38 by years, and classes (daily statement unrevised) ... 397
Issues, maturities, and redemptions:
By classes ... 8
In detail ... 510
Issues, retirements, and transactions in securities, by Division of Loans and Currency ... 206
Noninterest-bearing, by issues ... 505
Quarterly financing ... 10
Receipts and expenditures, by classes (daily statement revised) ... 396
Register of the Treasury ... 212
Retirements (*see also* Sinking fund, below):
Cumulated, by issues, June 30, 1938 (daily statement revised) ... 472
1938 by months, and 1934–38 by years, and classes (daily statement unrevised) ... 399
Retirements chargeable against ordinary receipts (*see also* Sinking fund, below):
1918–38 (daily statement unrevised) ... 416
1918–38 by sources of receipts (daily statement unrevised) ... 514
1929–38 (chart 3) ... 6
1932–38 (daily statement unrevised) ... 406
1937 and 1938 (daily statement unrevised) ... 5
1938 (checks issued and daily statement unrevised) ... 376

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Public debt—Continued.
Operations—Continued.
Retirements chargeable against ordinary receipts—Continued.
1938 by issues, and cumulative totals from July 1917 to June 1937 and 1938, by sources of receipts (daily statement revised) Page 494
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 384
1938 (daily statement unrevised) and estimates for 1939 and 1940 by sources of receipts 47
Securities destroyed by Destruction Committee, number and value 215
Sinking fund:
Appropriations available, debt retired, amount expended, 1921–38 (daily statement revised) 516
Cumulated to June 30, 1938, by issues (daily statement revised) 517
Discussion 15
Expenditures and retirements:
1921–38 (daily statement unrevised) 514
1932–38 (daily statement unrevised) 406
1938 (checks issued) 376
1938 (daily statement revised) 516
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 384
1938 (daily statement unrevised) and estimates for 1939 and 1940 47
Special issues, transactions 15
Summary (daily statement revised) 496
Treasury bills:
Discussion 12
Offering of, dated July 7, 1937, press release 250
Summary of information in press releases concerning Treasury bills offered during 1938 252
Tenders received and accepted for issue dated July 7, 1937, press release 251
Treasury bonds:
Allotments on subscriptions among Federal Reserve districts:
1945, offered Dec. 6, 1937 246
1948, offered Mar. 7, 1938 247
1958–63, offered June 6, 1938 250
Discussion 10
Offerings:
Dec. 6, 1937, 1945, dated Dec. 15, 1937 243
Mar. 7, 1938, 1948, dated Mar. 15, 1938 247
June 6, 1938, 1958–63, dated June 15, 1938 248
Treasury notes:
Allotments on subscriptions among Federal Reserve districts:
Series E–1938, offered Sept. 7, 1937 242
Series B–1942, offered Sept. 7, 1937 242
Series C–1942, offered Dec. 6, 1937 246
Series A–1943, offered June 6, 1938 250
Discussion 10
Offerings:
Sept. 7, 1937, series E–1938, dated Sept. 15, 1937 241
Sept. 7, 1937, series B–1942, dated Sept. 15, 1937 241
Dec. 6, 1937, series C–1942, dated Dec. 15, 1937 243
June 6, 1938, series A–1943, dated June 15, 1938 248
United States savings bonds. (*See* below.)
Outstanding:
1853–1938, June 30, interest-bearing, matured, noninterest-bearing, and gross (daily statement revised) 489
1915–38, June 30, gross debt (daily statement unrevised) 514
1916–38 by years, and 1938 by months (daily statement revised):
Interest bearing 519
Interest-bearing by classes, matured, noninterest-bearing, and gross 493

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Public debt—Continued.
Outstanding—Continued Page
1921–38 by months, interest-bearing (chart 6) 13
1932–38, June 30, interest-bearing by classes, and noninterest-bearing (daily statement unrevised) 491
1933, 1935, 1937, 1938, June 30, maturities of interest-bearing by calendar years (chart 5) 11
1936 and 1937, June 30, interest-bearing by classes, matured, and noninterest-bearing (daily statement unrevised) 8
1937 and 1938, June 30, interest-bearing (daily statement revised):
By classes 499
By issues 500
1938, June 30, description of issues 476
1938, June 30, interest-bearing by issues, and matured and non-interest-bearing (daily statement revised) 472
1938, June 30, interest-bearing, by kind of security and payable date (daily statement revised) 487
Per capita gross debt, June 30, 1853–1938 489
Tax-exempt features of each issue 486
Tax-exempt securities, amount:
1913–38 wholly and partially 544
1938, June 30, wholly and partially 543
Panama Canal loan 472, 476, 491
Postal savings bonds 472, 476, 491
Regulations:
Amendment Aug. 18, 1937, to Department Circular No. 368, with respect to interim certificates 254
Second supplement, Aug. 18, 1937, to Department Circular No. 300, with respect to United States bonds and notes 255
Third supplement, June 27, 1938, to Department Circular No. 300, with respect to United States bonds and notes 256
Retirements. (*See* Operations, above.)
Second Liberty Bond Act, amendment:
Discussion 16
Public No. 552, May 26, 1938, relative to limitation on face amount of bonds, certificates of indebtedness, Treasury bills, and notes outstanding 254
Sinking fund. (*See* Operations, above.)
Special issues 397, 473, 479, 491, 493
Treasury savings certificates 397
Treasury savings securities 485, 509, 518
United States savings bonds:
Authorizing additional officers of Treasury Department to witness and certify requests for payment of 257
Discussion 12
Expenditures 1938 by months, and 1935–38 by years (daily statement unrevised) 399
Federal savings and loan associations and Federal credit unions designated fiscal agents of United States 110
Interest paid on, 1936–38 (warrants issued) 518
Issues and redemptions, Mar. 1, 1935, to June 30, 1938 14
Offering of series C continued after Dec. 31, 1937 254
Receipts 1938 by months, and 1935–38 by years (daily statement unrevised) 397
Sales 1938 by months and denominations 14
Transactions, Division of Loans and Currency 207
Victory notes 474, 483, 506, 517
Yield, average, on bonds, by months, Jan. 1919 to June 1938 523
Public Debt Service (*see also* Public Debt):
Accounts, registered securities, number and principal 210
Administrative report 205
Destruction Committee 215
Expenditures 1938 (checks issued) 372
Expenditures by States 422

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Public Debt Service—Continued. Page
Loans and Currency, Division of 205
Paper Custody, Division of 214
Public Debt Accounts and Audit, Division of 214
Register of the Treasury 211
Safekeeping of securities by Division of Loans and Currency 211
Securities lost, stolen, or destroyed, claims for relief 210
Public Health Service:
Activities reviewed 63
Administrative report 216
Aliens examined 221
Available funds and expenditures 229
Cancer Institute 224
Domestic Quarantine, Division of 218
Engineering activities 218
Expenditures 1938 (checks issued) 373
Expenditures by States 422
Federal agencies, assistance to 219, 228
Foreign and Insular Quarantine, Division of 220
Grants to States under Social Security Act, 1937 and 1938 (checks issued) 551
Health survey 223
Marine Hospitals and Relief, Division of 225
Mental Hygiene, Division of:
Discussion 226
Patents granted 227
Narcotic addicts, Public Health Service Hospital 227
National Institute of Health:
Biologics Control, Division of 221
Chemistry, Division of 222
Industrial Hygiene, Division of 222
Infectious Diseases, Division of 222
Pathology, Division of 223
Pharmacology, Division of 223
Public Health Methods, Division of 223
Zoology, Division of 224
Personnel 228
Personnel and Accounts, Division of 228
Quarantine transactions 221
Radio pratique system extended 221
Revenues from operations of 230
Sanitary Reports and Statistics, Division of 218
Social Security Act:
Activities under 216
Allotments budgeted by States, classified by purposes 217
Allotments to States for assistance 216
Appropriations and expenditures to June 30, 1938 454
Investigation of disease and problems of sanitation 217
Venereal diseases:
Division of 224
Campaign results 63
Control Act, discussion 63
Work relief projects 61, 220, 467
Working capital fund of Public Health Service hospitals, status 229
Public lands, receipts from sales:
1796–1938 (warrants and checks issued) 410
1938 (warrants issued) 354
1938 (warrants issued) and estimates for 1939 and 1940 459
Public works. (*See* Expenditures; Procurement Division.)
Public Works Administration. (*See* Federal Emergency Administration of Public Works.)

Q

Quarantine. (*See* Public Health Service.)

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

R

Page

Radio sets, phonograph records, etc., taxes ... 425, 456
Railroad retirement account:
  Expenditures:
    1937 and 1938 ... 418
    1938 by months, investments and benefit payments (daily statement unrevised) ... 386
    1938 by months, and 1936–38 by years, classified (daily statement unrevised) ... 380, 446
    1938 (daily statement unrevised) and estimates for 1939 and 1940 ... 48
  Receipts:
    1938 (daily statement unrevised) ... 385
    1938, interest on investments (warrants issued) ... 361
    1938 (daily statement unrevised) and estimates for 1939 and 1940 ... 48
    1938 (warrants issued) and estimates for 1939 and 1940 ... 460
  Statement of account, June 30, 1936 and 1937, and monthly 1938 ... 450
  Status, June 30, 1938 ... 101
  Transfers to:
    1938 (check issued) ... 366
    1938 (warrants issued) ... 361
    1938 by months (daily statement unrevised) ... 383
Railroad Retirement Act:
  Expenditures, 1936–38 (daily statement unrevised) ... 402
  Taxes, 1938 by months, and 1936–38 by years, classified (daily statement unrevised) ... 446
Railroad Unemployment Insurance Act:
  Contributions collected by Railroad Retirement Board ... 32
  Effect on revenue ... 37
  Expenditures, estimates for 1940 ... 48
  Receipts, estimates for 1940 ... 36, 48, 457
  Receipts in administration fund, estimates for 1940, discussion ... 43
Railroads:
  Proprietary interest of United States in, June 30, 1929–38 ... 536
  Securities owned by United States:
    1937 and 1938, June 30 ... 71
    1938, June 30 ... 528
    1938, June 30, acquired under provisions of sec. 207 of Transportation Act, 1920 ... 91
    1938, June 30, held originally, and payments received ... 90
    1938, June 30, on account of loans to carriers under sec. 210 of Transportation Act, 1920 ... 91
    Principal and interest in default, by railroads, under sec. 210 of Transportation Act, 1920, June 30, 1938 ... 91
    Repayments, 1938 under sec. 210 of Transportation Act, 1920 ... 91
  Tax on carriers and their employees. (*See* Carriers Taxing Act.)
Receipts (*see also* Customs Bureau; Internal Revenue Bureau; Surplus or deficit; Taxes):
  1789–1938 classified (warrants issued and daily statement unrevised) ... 410
  1929–38 by principal sources (chart 2) ... 1
  1932–38, classifications of daily Treasury statements beginning July 1, 1938 (daily statement unrevised) ... 401
  1937 and 1938 by major sources (collections and daily statement unrevised) ... 2
  1937 and 1938 summary (daily statement revised) ... 234
  1938 in detail, by sources and accounts (warrants issued) ... 354
  1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) ... 379
  1938 (collections and daily statement unrevised) and estimates for 1939 and 1940 ... 36
  1938 (collections, daily statement unrevised, and warrants issued) and estimates for 1939 and 1940, by sources ... 456
  Analysis ... 1

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Receipts—Continued.
Page
Back taxes:
1937 and 1938 (collections) 2
1938 (collections) and estimates for 1939 and 1940 36, 456
Collections by Internal Revenue Bureau 158
Carriers Taxing Act taxes. (*See* Carriers Taxing Act.)
Customs:
1789–1938 (warrants issued and daily statement unrevised) 410
1929–38 (chart 2) 1
1932–38 (daily statement unrevised) 53, 401
1937 and 1938 (daily statement unrevised) 2
1938 (warrants issued) 354
1938 by districts (collecting officers) 442
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
1938 (daily statement unrevised) and estimates for 1939 and 1940 36, 457
Estimates for 1939 and 1940, discussion 40, 43
Estimates:
1939 and 1940 by sources 36, 456
1939 and 1940 by sources, discussion 37, 41
Acts of Congress affecting 35
Basis of forecasts 34
Discussion 33
Income tax:
1863–1938 (warrants issued and daily statement unrevised) 410
1916–38 (collections) 427
1929–38 (chart 2) 1
1932–38 (daily statement unrevised) 401
1937 and 1938 (collections) 2, 425
1938 (warrants issued) 354
1938 by States and Territories (collections) 430
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
1938 (collections and daily statement unrevised) and estimates for 1939 and 1940 36, 456
Internal revenue:
1916–38 by tax sources (collections) 427
1937 and 1938 by sources, in detail (collections) 425
1938 by States and Territories (collections) 430
Miscellaneous:
1789–1938 (warrants issued and daily statement unrevised) 410
1932–38 (daily statement unrevised) 401
1937 and 1938 (daily statement unrevised) 3
1938 in detail (warrants issued) 354
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
1938 (daily statement unrevised) and estimates for 1939 and 1940 36
1938 (warrants issued) and estimates for 1939 and 1940 in detail 457
Miscellaneous internal revenue taxes:
1792–1938 (warrants issued and daily statement unrevised) 410
1916–38 by tax sources (collections) 427
1929–38 (chart 2) 1
1932–38 (daily statement unrevised) 401
1937 and 1938 by major sources (collections) 2
1937 and 1938 by sources, in detail (collections) 425
1938 (warrants issued) 354
1938 by States and Territories (collections) 430
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
1938 (collections and daily statement unrevised) and estimates for 1939 and 1940 in detail 36, 456
Public debt:
1938 by classes (daily statement revised) 396
1938 by months, and 1934–38 by years, and classes (daily statement unrevised) 397

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Receipts—Continued. Page
Railroad securities 90
Social Security Act taxes. (*See* Social Security Act.)
Social Security and Carriers Acts taxes, 1938 by States and Territories (collections) 430
Summary by accounts and by departments and establishments, 1938 and estimates for 1939 and 1940 461
Trust accounts. (*See* Trust accounts.)
Unemployment trust fund. (*See* Unemployment trust fund.)
Reclamation fund, status June 30, 1938 109
Reconstruction Finance Corporation:
Assets and liabilities of 530
Available funds and expenditures 463
Change in daily Treasury statement with respect to financial transactions 347
Contingent liabilities of United States outstanding June 30, 1937 and 1938 72
Funds made available for recovery and relief 383, 482
Interest on obligations of, received:
1938 (warrants issued) 354
1938 (warrants issued) and estimates for 1939 and 1940 457
Loans to public bodies authorized 23
Notes guaranteed by United States outstanding June 30, 1938 520
Notes outstanding 23
Obligations canceled 18, 23, 331
Proprietary interest of United States in, by years, 1932–38 536
Revolving fund 464
Securities owned by United States 71, 527
Securities received from, by Treasury 71, 528
Tax-exempt securities outstanding, amount, June 30, 1932–38 544
Recovery and relief. (*See* Expenditures.)
Redemptions, public debt. (*See* Public debt, Operations.)
Refrigerators, mechanical, tax 425, 456
Refunds. (*See* Expenditures.)
Regional agricultural credit corporations 71, 383, 405, 419, 420, 528, 530, 536
Reimbursements:
1938 receipts, in detail (warrants issued) 356
1938 receipts (warrants issued) and estimates for 1939 and 1940 in detail 458
Relief expenditures. (*See* Expenditures.)
Relief funds. (*See* Emergency Relief Appropriation Acts; Expenditures.)
Rents and royalties, receipts:
1938 classified (warrants issued) 357
1938 (warrants issued) and estimates for 1939 and 1940 in detail 458
Repayments of investments, classified:
1938 (warrants issued) 358
1938 (warrants issued) and estimates for 1939 and 1940 in detail 459
Repealed taxes 426
Research and Statistics, Division of:
Administrative report 230
Expenditures 1938 (checks issued) 372
Government actuary 230
Retirement funds:
Expenditures 1931–38 418
Transfers to, 1938 (checks issued) 366
United States share:
1932–38 (daily statement unrevised) 405
1937 and 1938 (daily statement unrevised) 383
Retirement of public debt. (*See* Public debt.)
Revenue Act of 1937, discussion 26
Revenue Acts of 1937 and 1938, major tax rate changes under, legal citations, and effective dates 280
Revenue Act of 1938:
Discussion 28
Effect on income taxes 35
Revenue legislation, discussion 25

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Revolving funds:
Expenditures: Page
1932–38 classified (daily statement unrevised) 405
1938 (checks issued) 366
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) 383
1938 (daily statement unrevised) and estimates for 1939 and 1940 46
Appropriations and allocations, classified, to June 30, 1938 463
Payments, repayments, and net expenditures, by organizations 464
RFC Mortgage Corporation:
Capital stock owned by United States 528
Proprietary interest of United States in, June 30, 1935–38 536
Rumania, obligations owned by United States. (*See* Foreign government obligations owned by United States.)
Rural Electrification Administration 44, 45, 71, 354, 365, 380, 382, 404, 419, 420, 462, 469, 528, 536
Russia, obligations owned by United States:
Principal June 30, 1938 527
Status Nov. 15, 1938 548

S

Safe deposit boxes tax 426, 428, 457
Savings Bonds, Division of, administrative report 231
Second Liberty Bond Act amendment. (*See* Public debt.)
Secret Service Division:
Administrative report 231
Campaign for instruction in detection of counterfeit money 232
Expenditures 1938 (checks issued) 373
Expenditures by States 422
Secretary of Agriculture authorized to borrow money on credit of United States 521
Secretary of Navy, securities received by, for sale of surplus property 71, 528
Secretary of Treasury:
Announcements:
Dec. 31, 1937, relative to peso-dollar exchange and Mexican silver 268
Feb. 14, 1938, relative to acquisitions of gold by Treasury Department 263
Apr. 19, 1938, of discontinuance of inactive gold account 264
Apr. 28, 1938, revoking proclamation, and certain orders and regulations relating to silver 266
Authorized to cancel obligations of Reconstruction Finance Corporation 331
Licenses to transport firearms and ammunition to be issued by 345
Memorandum, Sept. 14, 1937, relative to newly mined domestic silver 264
Order, Apr. 28, 1938, relating to silver 266
Statements:
July 9, 1937, announcing further progress in monetary cooperation with China 267
July 16, 1937, relative to agreement with Brazil on gold and dollar exchange 268
Mar. 27, 1938, deferring continuation of monthly silver purchase arrangements with Mexico 268
Secretaries, Under Secretaries, and Assistant Secretaries of Treasury Department, Mar. 4, 1933, to Nov. 15, 1938 xv
Securities (*see also* Contingent liabilities of United States; Public debt; Tax-exempt securities):
Destroyed by Destruction Committee, number and value 215
Guaranteed by United States:
1938, June 30, in detail 20, 520
Commodity Credit Corporation 24
Discussion 20
Federal ship mortgage insurance fund 259
Housing insurance fund 258
Mutual mortgage insurance fund 258
United States Housing Authority 22, 257

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Securities—Continued. Page
Held by Treasurer, classified according to purpose for which held, June 30, 1937 and 1938 237
Investments in trust and special funds, by funds, June 30, 1938 92
Owned by United States:
1937 and 1938, June 30, summary 71
1938, June 30, in detail 527
Discussion 18
Receipts:
1932–38 (daily statement unrevised) 401
1937 and 1938 (daily statement unrevised) 3
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
1938 (warrants issued) and estimates for 1939 and 1940 457
Interest and dividends 1938 (warrants issued) 354
Reconstruction Finance Corporation obligations canceled 18
Safekeeping of, by Division of Loans and Currency 211
Transactions by Register of Treasury 212
Transactions in United States and insular securities, and in securities of Government corporations and credit agencies, Division of Loans and Currency 206
Seed, feed, drought relief, and crop production loans, obligations of farmers for, owned by United States 71, 528
Seigniorage. (*See* Silver.)
Services, receipts from sales of, classified:
1938 (warrants issued) 357
1938 (warrants issued) and estimates for 1939 and 1940 in detail 458
Settlement of War Claims Act of 1928 (*see also* Mixed Claims Commission; Tripartite Claims Commission; War Claims Arbiter):
Public Resolution, May 23, 1938, extending the time within which American claimants may make application for payment of awards 346
Summary 83
Shipping Board. (*See* United States Maritime Commission.)
Silver (*see also* Money):
Acquired by mints and assay offices, classified 184
Assets and liabilities of Treasury, June 30, 1937 and 1938 (daily statement revised) 17, 524
Bullion:
1934–38, June 30, stock 540
1938, June 30, held in Treasury 542
1938, June 30, stock 185
Transfers tax 425, 428, 456
Certificates:
Held by Treasury offices and Federal Reserve banks, June 30, 1938 235
In circulation June 30, 1913–38 541
Issued, redeemed, and outstanding 235
Stock, held by Federal Reserve banks, and in circulation, June 30, 1938 542
Coin, stock June 30, 1938 185
Consumption, industrial, 1937 calendar year 186
Dollars:
In circulation June 30, 1913–38 541
Stock June 30, 1913–38 540
Stock, held in Treasury, held by Federal Reserve banks, and in circulation, June 30, 1938 542
Electrolytically refined by Mint Service 185
Executive order, Apr. 28, 1938, relating to 266
Mexican silver purchase arrangements, announcement by Secretary of Treasury and Minister of Finance of Mexico 22, 268
Monthly silver purchase arrangements with Mexico, continuation deferred 268
Newly mined domestic, mined prior to midnight, Dec. 31, 1937, memorandum relative to 264
Order of Secretary of Treasury, Apr. 28, 1938, relating to 266
Operations of Mint Service 184
Prices 184

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Silver—Continued. Page
Proclamation, certain orders, and regulations revoked, announcement by Secretary of Treasury 266
Proclamations:
Dec. 30, 1937, relative to newly mined domestic 264
Dec. 30, 1937, and Apr. 28, 1938, and orders relating to silver 22
Apr. 28, 1938, relating to silver 265
Production, domestic, 1937 calendar year 186
Purchase of, from China, arrangements for 21, 267
Seigniorage:
In General Fund balance:
1937 and 1938, June 30 (daily statement unrevised) 18
1938 by months (daily statement unrevised) 526
Receipts:
1934–38 (daily statement unrevised) 401
1935–38 (daily statement unrevised) 407
1937 and 1938 (daily statement unrevised) 3
1938 (warrants issued) 361
1938 by Mint Service (warrants issued) 357
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379, 385
1938 (daily statement unrevised) and estimates for 1939 and 1940 47
1938 (warrants issued) and estimates for 1939 and 1940 459, 460
Subsidiary coin:
In circulation June 30, 1913–38 541
Stock June 30, 1913–38 540
Stock, held in Treasury, held by Federal Reserve banks, and in circulation, June 30, 1938 542
Sinking fund. (*See* Public debt, Operations.)
Smuggling. (*See* Coast Guard; Customs Bureau; Narcotics Bureau.)
Snuff tax 425, 456
Social Security Act (*see also* Taxes):
Allotments to States for public health assistance 216
Appropriations and expenditures, to June 30, 1938 454
Claims, refunds, and repayments 155
Expenditures:
1936–38 418
1937 and 1938 (daily statement unrevised) 5
1938 555
1938 by months, and 1936–38 by years, classified (daily statement unrevised) 446
Grants to States and administrative:
1936–38 (daily statement unrevised) 402
1938, June 30, total to 454
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 380
1938 (daily statement unrevised) and estimates for 1939 and 1940 44
Public Health Service, 1938 (checks issued and daily statement unrevised) 373
Public health work under 55, 63, 216
Refunds to States, 1938 (daily statement unrevised) 389
Taxes:
Title VIII:
1938 (collections) 170
1938 (warrants issued) 354
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
1938 and estimates for 1939 and 1940 457
Title IX:
1938 (collections) 171
1938 (warrants issued) 354
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 379
1938 and estimates for 1939 and 1940 457

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Social Security Act—Continued.
Taxes—Continued. Page
1937 and 1938 (collections) 2, 426, 429
1938 by months, and 1936–38 by years, classified (daily statement unrevised) 446
1938 (collections) and estimates for 1939 and 1940 36
Estimates for 1939 and 1940, discussion 40, 43
Treasury activities under 54
Unemployment compensation funds returned to 13 States 373
Unemployment trust fund. (*See* Unemployment trust fund.)
Soft drinks tax 428
Special funds, review of transactions in 108
Sporting goods tax 426
Stabilization fund. (*See* Gold.)
Stamp taxes (*see also* Taxes) 2, 36, 425, 428, 456
States and municipalities:
Grants to, under Social Security Act, 1938 by months, and 1936–38 by years, classified (daily statement unrevised) 446
Interest on loans of Public Works Administration, 1938 (warrants issued) 354
Loans and grants to 46, 366, 383, 405, 419, 420, 463, 464, 469
Tax-exempt securities outstanding, amount:
1913–38, June 30 544
1938, June 30 543
Stationery supplies expenditures. (*See* Printing, Division of.)
Subsidiary silver coin. (*See* Silver.)
Subsistence homesteads (*see also* Farm Security Administration) 367, 528, 536
Sugar Act of 1937:
Imposition of excise taxes 273
Taxes 2, 167, 426, 429, 457
Supply, Branch of. (*See* Procurement Division.)
Surplus or deficit of receipts and expenditures:
1789–1938 (warrants issued and daily statement unrevised) 410
1916–38 (daily statement unrevised) 514
1932–38 (daily statement unrevised) 406
1938 by months, and 1937 and 1938 by years (daily statement unrevised) 384
1938 (daily statement unrevised) and estimates for 1939 and 1940 47
Surplus property:
Sales by Procurement Division 200
Securities received on account of sales owned by United States, June 30, 1938 528

T

Tax Appeals, United States Board of, cases disposed of in Office of Chief Counsel, Internal Revenue Bureau 176
Tax Research, Division of:
Administrative report 233
Establishment 329
Taxes (*see also* Expenditures, Refunds; Carriers Taxing Act; Internal Revenue Bureau, Social Security Act):
Admission, change in 31
Agricultural adjustment taxes, claims, refunds, and repayments 155
Capital gains and losses, discussion 29, 31
Capital stock:
Assessments, additional, 1937 and 1938 156
Claims, refunds, and repayments 155
Provision for new declaration of value of 31
Carriers Taxing Act, discussion 173
Changes made by Revenue Acts of 1937 and 1938 280
Coal:
Assessments, additional 156
Claims, refund and abatement, received and disposed of 164
Claims, refunds, and repayments 155
Corporation income tax, discussion 28

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Taxes—Continued.
Page
Estate:
Assessments, additional, 1937 and 1938 156
Claims, refunds, and repayments 155
Estimates for 1939 and 1940, discussion 38, 42
Firearms, shells, cartridges taxes set aside in special fund 330
Gift:
Assessments, additional, 1937 and 1938 156
Change in exemption 31
Claims, refunds, and repayments 155
Estimates for 1939 and 1940, discussion 38, 42
Income:
Analysis 3
Assessments, additional, 1937 and 1938 156
Back, discussion 158
Changes in procedure on returns 49
Claims, refunds, and repayments 155
Estimates for 1939 and 1940, discussion 37, 41
Legislation affecting 269
Liquor:
Assessments, additional, 1937 and 1938 156
Changes in law 30
Claims, refunds, and repayments 155
Estimates for 1939 and 1940, discussion 38, 42
Manufacturers' excise:
Estimates for 1939 and 1940, discussion 39, 42
Repeal of certain taxes 31
Miscellaneous, estimates for 1939 and 1940, discussion 39, 41
Miscellaneous internal revenue:
Acts of Congress affecting 37
Discussion 49
Estimates for 1939 and 1940, discussion 38, 42
Sales, additional assessments 1937 and 1938 156
Social Security Act, discussion 50, 170
Social Security Act and Carriers Act, additional, assessments, 1937 and 1938 156
Sources of bulk of receipts, discussion 4
Stamp, estimates for 1939 and 1940, discussion 39, 42
Sugar Act of 1937:
Assessments, additional 156
Discussion 32
Tobacco:
Assessments, additional, 1937 and 1938 156
Claims, refunds, and repayments 155
Estimates for 1939 and 1940, discussion 39, 42
Tax-exempt securities:
Government issues, provisions of 486
Held by Federal Reserve banks, amount, June 30, 1915–38 543, 546
Held by United States Government, Federal trust funds, and agencies, amount, June 30:
1914–38 by types of borrowers 545
1938 543
Held in sinking, trust, and investment funds of States, etc., amount, June 30:
1913–38 546
1938 543
Net outstanding issues, amount, June 30:
1913–38 547
1938 543
Outstanding amount, wholly and partially, June 30:
1913–38 544
1938 543
Telegraph, telephone, cable, and radio facilities, etc., tax 2, 426, 428, 457
Tennessee Valley Associated Cooperatives, Inc 71, 528, 536
Tennessee Valley Authority:
Bonds to be guaranteed by United States 521
Expenditures 45, 365, 381, 403, 418, 419, 462
Proprietary interest of United States in, June 30, 1934–38 536

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page

Territories and insular possessions, amount of tax-exempt securities outstanding, June 30:
1913–38 ... 544
1938 ... 543
Tobacco manufacturers taxes (*see also* Internal Revenue Bureau; Taxes) ... 2, 36, 425, 427, 456
Toilet preparations tax ... 425, 456
Treasurer of United States:
Administrative report ... 233
Currency Redemption Division ... 236
Expenditures:
1938 (checks issued) ... 372
1938 by States ... 422
Treasury bills. (*See* Public debt.)
Treasury bonds. (*See* Public debt.)
Treasury, condition of ... 17, 524
Treasury Department (*see also* Circulars; Orders; Personnel):
Accounts, descriptions of ... 352
Administrative and staff officers, Nov. 15, 1938 ... xvi
Allocations to projects, obligations, and voucher payments to June 30, 1938, under Emergency Relief Appropriation Acts ... 61
Allocations to, for projects, obligations, expenditures, and balances ... 467
Annual and sick leave regulations ... 328
Appropriation estimates submitted to Budget and Improvement Committee ... 116
Expenditures:
1932–38 (daily statement unrevised) ... 401
1938 by months, and 1937 and 1938 by years (daily statement unrevised) ... 379
1938 by officers, organizations, etc. (checks issued) ... 372
1938 (daily statement unrevised) and estimates for 1939 and 1940 ... 44
Activities in States and Territories ... 421
Organization (chart 1) ... xx
Organization and procedure changes ... 65
Public buildings. (*See* Procurement Division.)
Receipts, total, 1938 (warrants issued) and estimates for 1939 and 1940 ... 461
Social Security Act, activities under ... 54
Time and leave regulations:
Departmental service, Mar. 24, 1938 ... 315
Field service, Mar. 25, 1938 ... 325
Treasury notes. (*See* Public debt.)
Treasury notes of 1890:
Held by Treasury offices, June 30, 1938 ... 235
In circulation, June 30:
1913–38 ... 541
1938 ... 542
Redeemed and outstanding ... 235
Treasury savings certificates. (*See* Public debt.)
Tripartite Claims Commission, awards:
Austria ... 87
Hungary ... 87
Trusts, taxes, discussion ... 27
Trust accounts (*see also* Expenditures; Public debt, Special issues; Receipts; Tax-exempt securities; Titles of particular funds):
Expenditures:
1932–38 classified (daily statement unrevised) ... 407
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) ... 385
1938 (daily statement unrevised) and estimates for 1939 and 1940 ... 48
Explanation of ... 353
Receipts:
1932–38 classified (daily statement unrevised) ... 406
1938 by months, and 1937 and 1938 by years, classified (daily statement unrevised) ... 384
1938 in detail (warrants issued) ... 358

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Trust accounts—Continued.
Receipts—Continued. Page
1938 (daily statement unrevised) and estimates for 1939 and 1940 47
1938 (warrants issued) and estimates for 1939 and 1940, in detail 460
Credits of tax collections to (collections) 426
Securities held as investments in trust and special funds, by funds, June 30, 1938 92
Securities held by Treasurer, June 30, 1937 and 1938 237
Transfers from General Fund 1938 (warrants issued) and estimates for 1939 and 1940 460
Transfers to, 1938 (daily statement unrevised) and estimates for 1939 and 1940 47
Turkey:
Claims of American National against 88
Special Claims Commission Awards 88

U

Unemployment trust fund (*see also* Public debt, Special issues; Trust accounts):
Amounts credited to State agencies and withdrawals, by States, June 30, 1938 100
Discussion 55
Expenditures:
1936–38, withdrawals by States and investments (daily statement unrevised) 408
1938 (checks issued) 376
1938 by months, and 1937 and 1938 by years, withdrawals by States and investments (daily statement unrevised) 386
1938 (daily statement unrevised) and estimates for 1939 and 1940 48
Receipts:
1936–38 (daily statement unrevised) 407
1938 by months, and 1937 and 1938 by years, deposits by States and interest (daily statement unrevised) 385
1938 (daily statement unrevised) and estimates for 1939 and 1940 47
1938 (warrants issued) and estimates for 1939 and 1490 460
Statement of June 30, 1936 and 1937, and monthly 1938 451
Status June 30, 1938 100
Transfers to, 1938 (warrants issued) 361
Union Pacific Railroad, Central Branch, amount due United States 529
United States Government life insurance fund. (*See* Government life insurance fund.)
United States Housing Authority:
Assets and liabilities 530
Capital stock and notes owned by United States 71
Expenditures:
General 44, 46, 370, 381, 402
Recovery and relief 370, 383, 482
Obligations guaranteed by United States 22, 520, 536
Proprietary interest of United States in, June 30, 1938 536
Securities owned by United States 528
Subscriptions to capital stock 374
United States Housing Corporation 200, 373, 527, 536
United States Maritime Commission 44, 71, 521, 528, 530, 536
United States notes (*see also* Public debt):
Held by Treasury offices and Federal reserve banks, June 30, 1938 235
In circulation June 30, 1913–38 541
Issued, redeemed, and outstanding 235
Stock June 30, 1913–38 540
Stock, held in Treasury, held by Federal Reserve banks, and in circulation, June 30, 1938 542
United States notes and Treasury notes of 1890 (*see also* Public debt), gold reserve against, in Treasury, June 30:
1913–38 538
1937 and 1938 (daily statement revised) 524
1937 and 1938 (daily statement unrevised) 17

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Page
United States Railroad Administration 536
United States savings bonds. (*See* Public debt.)
United States Shipping Board Merchant Fleet Corporation (*see also* United States Maritime Commission) 536
United States Spruce Production Corporation 527, 536
Unjust enrichment tax 2, 36, 354, 379, 425, 429, 456

V

Venereal diseases. (*See* Public Health Service.)
Vessels arriving in United States, 1937 and 1938 132
Veterans' Administration. (*See* Expenditures.)
Victory notes. (*See* Public debt.)

W

War Claims Arbiter, awards, summary 86
War emergency corporations 71, 527, 530, 536
War Finance Corporation (in liquidation):
  Administrative report 237
  Capital stock owned by United States June 30, 1938 527
  Earnings 1938 (warrants issued) 354
  Expenditures (checks issued) 363
  Proprietary interest of United States in, June 30, 1929–38 537
Wildlife-restoration fund, establishment 330
Wines tax 425, 456
Work Relief and Public Works Appropriation Act of 1938, allocations classified 462
Work relief projects (*see also* specific Bureaus):
  Administrative expenses 467
  Allocations, obligations, and voucher payments to June 30, 1938:
    Administrative expenses, Treasury Department 61
    Coast Guard 61, 467
    Internal Revenue Bureau 61, 467
    Procurement Division 61, 467
    Public Health Service 61, 467
  Allocations, obligations, expenditures, and balances, by departments, bureaus, etc 467
Works Progress Administration:
  Allocations, expenditures, and balances 469
  Expenditures:
    1936–38 (daily statement unrevised) 407
    1937 cumulative, and 1938 419
    1938 by States 557
    1938 (checks issued) 365
    1938 by months, and 1937 and 1938 by years (daily statement unrevised) 382
    1938 (daily statement unrevised) and estimates for 1939 45
    Appropriations and allocations to June 30, 1938 462
Working balance, General Fund. (*See* General Fund.)

Y

Yugoslavia, obligations owned by United States. (*See* Foreign obligations owned by United States.)

○

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis